

ICS breakthrough research

# “It’s a culture thing”

The challenge of change - customer service in local government

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# Institute of Customer Service

The Institute of Customer Service is the professional body for customer service. Leading customer service performance and professionalism, the Institute is the authoritative voice of customer service - the catalyst for all those whose focus is on the delivery of world-class service experiences.

The Institute is a membership body with a community of more than 350 organisational members - from across the private, public and third sectors - and nearly 7,000 individual members.

In believing that customer service is increasingly the difference between success and failure, the Institute supports organisations in raising customer service standards and individuals in achieving professional recognition.

## Warwick Business School (WBS)

Warwick Business School (WBS) is one of the largest business schools in Europe and ranks in the top 1% worldwide. It has 400 staff members and over 8,000 students and participants.

The school sets high standards in both research and teaching. The December 2008 research assessment exercise rated 75% percent of WBS research at 3\* and above - placing them third in the UK.

For two consecutive years WBS has been voted a top business superbrand in the UK for quality, reliability, and distinction and became the first UK business school to attain a triple accreditation from EQUIS, AACSB International and AMBA.

## The Local Government Centre

The Local Government Centre celebrates its 21st birthday this year - having been launched in 1988 as a self-financing research centre within Warwick Business School.

The Local Government Centre is one of the biggest research centres in the school and is the largest contributor to the school's research income.

Research themes have included evaluation of a wide range of central government and local government programmes, responses to social exclusion at national and international levels, ageing society and later life, partnership working, urban regeneration and local economic development.

Themes are explored within the context of theoretical and analytical frameworks. A variety of research methods are used ranging from quantitative and qualitative techniques to action research and dissemination through peer review and learning networks.

# Contents

- 1. Executive summary..... 5
- 2. The research brief..... 6
  - Scope..... 6
  - Research methodology..... 7
  - The case study authorities..... 7
    - Blackpool..... 7
    - Bradford..... 7
    - Bristol..... 8
    - Camden..... 8
    - Edinburgh..... 8
    - Hackney..... 8
    - Moray..... 8
    - Northumberland..... 8
    - South Tyneside..... 8
    - Torfaen..... 9
  - The research team..... 9
  - Structure of the report..... 9
- 3. The context for customer service and citizen engagement..... 9
- 4. Developing a customer focus..... 12
  - Identifying the need..... 12
  - Key features of customer service approaches..... 13
  - Leadership..... 14
  - Customer service ethos..... 15
- 5. Supporting and embedding the customer focus..... 15
  - Knowing who your customers are..... 15
  - Customer segmentation in Hackney..... 16
  - Knowing what your customers think..... 17
  - Harnessing technology..... 18
    - Websites..... 19
    - Camden: ‘Show Me’..... 19
    - Customer relationship management systems (CRM)..... 20
    - Working with technology..... 20
    - Consistency and continuity..... 20

# Contents continued.

- 6. Is customer service different in the public and private sectors?..... 22
  - Context ..... 22
  - Tools and techniques..... 23
  - Bristol: mystery customers..... 23
  - People..... 24
  - Does the private sector have anything to learn from local government?..... 24
  - Waterworld..... 25
- 7. The customer service journey: continuity and change..... 25
  - The last 25 years..... 25
  - Key ‘milestones’..... 26
  - Business process re-engineering..... 27
  - ...and the next 25 years... watch this space..... 28
  - Transformational government..... 28
  - Role of the third sector..... 29
  - Identity management..... 29
  - Change of circumstances management..... 30
- 8. Key findings and challenges for the future ..... 31
  - Key findings..... 31
  - Local needs should drive customer service strategy..... 31
  - IT only part of the solution..... 31
  - Leadership is critical..... 31
  - Customer feedback should inform service planning and delivery as well as communications strategies..... 32
  - Not everyone agrees ‘what good looks like’..... 33
  - Customer service – a new local government ‘profession’?..... 33
  - ...which can create challenges for existing professionals..... 33
  - Bristol: online citizens’ panel..... 34
  - Challenges for the future..... 34
  - The challenge of managing demand..... 34
  - The challenge of mainstreaming..... 35
  - The efficiency challenge..... 35
  - Conclusion..... 35
- 9. References..... 37
- 10. Glossary..... 38
- 11. Author Biographies..... 38

# 1. Executive summary

1. Customer service and citizen engagement are enjoying a high profile in local authorities and their influence is growing. This is echoed at central government level where initiatives to improve access and responsiveness to public services and to take opportunities for service transformation are receiving a boost in the current Comprehensive Spending Review (CSR) (2007-11) through service transformation work and implementation of the Varney Review.
2. Politically, the importance of citizen engagement has been underlined by current and previous administrations which set out an ambitious programme for customer choice and service improvements. Audit Commission inspection regimes and performance indicators support the government's position.
3. Strong customer service policies can help councils perform against external inspection criteria and performance indicators. For example, a mystery shopping exercise linked to service improvements in Bristol helped to secure significant improvements in around 60% of services. In South Tyneside, a focus on communications helped to deliver an 11% increase in people feeling well informed about the council.
4. Our case study authorities exhibited a range of approaches, but key features are that customer service is beginning to be seen as a function in its own right: helping to deliver wider access, improved responsiveness, a better understanding of citizen and customer preferences and a more consistent response to customer contacts.
5. The use of customer service tools, techniques and approaches is building a new skill set in local government, which may in time come to be seen as a new public sector 'profession'.
6. Information technology is enabling customer contact centres to be much more effective in answering customer enquiries and in extending the boundaries of the front office vis a vis the back office. But the most progressive councils are not letting technology blind them to the need to provide tailored and personalised services to those who need them.
7. Customer service is complementary to service and process improvements linked to the value for money agenda. Some case study authorities had managed to streamline and simplify the way they dealt with a number of enquiries, improving customer satisfaction while reducing waste and duplication. Others were actively working towards this.
8. Those councils who work hard to improve their customer service and citizen engagement have been rewarded by improved resident satisfaction ratings and scores in external inspections. In Blackpool, for example, resident satisfaction levels rose by 25% as a result of customer service and communications work.
9. There is evidence that strong customer service teams are beginning to change the culture of local authorities, making it more open, responsive and 'can do'. Staff have felt empowered to challenge what might have been seen as old-fashioned 'command and control' attitudes in some authorities. A new mix of attitudes and skills in customer service teams, blending public and private sector work experiences, is helping to change working practices.
10. Strong leadership is a prerequisite for good customer service, preferably across the organisation as a whole. Those organisations that have been most successful in implementing customer service have had to work hard to cut across organisational boundaries and overcome organisational inertia.
11. Tools and techniques from the private sector, such as citizen panels, opinion polls and customer satisfaction surveys are becoming routine tools for council services to employ. Case study authorities have used customer relationship management systems, business process re-engineering, mystery shopping and customer segmentation techniques. Tools like these have prompted them to take performance and customer satisfaction measurement more seriously and given them other dimensions by which to measure citizen concerns. This information is beginning to be used to alert elected members to problems in their ward and also to feed into decisions on budget and policy making.

12. Most of our case study authorities recruited staff from the private sector to help with the establishment of contact centres, communications and website development.

13. Customer service will become an increasingly important part of the transformational government agenda. There will be a focus on streamlining and improving local government's understanding of its customer base through developments in communications and identity management. There will be pressure to develop access routes in ways that are convenient to the user through change of circumstances approaches and greater use of the third sector, particularly to work with hard-to-reach groups.

14. Those authorities that pay attention to meeting local needs, make good and sensitive use of information technology, exhibit strong corporate leadership and use the consumer and citizen viewpoint to drive service improvement are those most likely to succeed.

## 2. The research brief

We were commissioned by the Institute of Customer Service to examine the nature and development of customer service approaches in local government in the UK. Through structured interviews with a range of staff in member authorities, we sought to identify good practice examples and to examine the factors that led each authority to take the approach it had. The Institute was particularly keen for us to focus on the differences, if any, between the private and public sectors and any opportunities for cross learning and overlap.

Our specific research objectives were:

1. to supply evidence of the opportunities for inter-sector learning between the private sector and local government, with the aim of achieving customer service performance improvements in the recipient sector - thereby helping to create a positive environment in which the possibilities of reciprocal benefit are recognised
2. to explore whether there is any evidence of a trend towards convergence between local government and private sectors in their approaches to customer service provision and whether any discernible adjustments have to be made in recognition of the distinctive characteristics of the public sector
3. to examine, through case studies, the adoption in local government of customer service strategies, systems and practices originally developed for the private sector and to consider the evidence of their effectiveness on which similar cross fertilisation could be undertaken in the future
4. to identify any barriers and obstacles to the transfer of experiences between sectors and highlight examples of best practice
5. to assist the fulfilment of the Institute mission to improve customer service in the UK economy and to provide practical routes for doing so
6. to supply a membership benefit for the Institute's Local Government Group.

### Scope

The project recognised the value of customer service transfers in both directions (from public to private sector, and private to public sector), but given resource limitations, it was agreed we would focus more on the extent to which local authorities had imported (in original or adapted form) relevant customer service strategies. This balance in research priorities also resonated with the government's desire to improve public services, including the exploration of alternative approaches to service provision and customer care.

The subject matter of the study embraced not only those customer service strategies and practices impinging on external customers but also internal management issues, including political and corporate culture, strategic management and ‘in-house’ support services. These support services include the recruitment and selection of suitable people for customer facing roles, the creation of reward and recognition systems to celebrate service achievement and progress, and the inclusion of service performance within appraisal systems.

## Research methodology

Ten Institute member authorities (at the time) were visited during the course of our research: Blackpool, Bradford, Bristol, Camden, Edinburgh, Hackney, Moray, Northumberland, South Tyneside and Torfaen. We are grateful to elected members and officers in these authorities for their help and co-operation.

This group of authorities presented us with a range of councils across Great Britain, each with significant variations in size, nature of their population and their urban and rural locations. This gave us the opportunity to see approaches to customer service in several different settings.

Despite such variations, all the authorities had similar wide-ranging functions – from the very personal to the strategic and protective services. The exception is Northumberland which, as an upper tier authority in a two-tier area, was not responsible for local environmental services (street scene and refuse collection) at the time of the research. However, proposals for local government reorganisation have changed that perspective.

The wide range of services provided by local authorities and the demands placed on councils by citizens and customers in different localities impacts on the way that customer services are provided.

In our visits we carried out a number of semi-structured interviews with key individuals with responsibility for various aspects of the approach to, and delivery of, customer service. These interviews took place during a one day visit to each location by prior arrangement with the authority concerned.

Having completed the round of visits our interim findings were summarised and participants were invited to a roundtable discussion at the University of Warwick to test out conclusions and feed any developments into this report. We were also joined at this roundtable by participants from the Institute of Customer Service, Colchester Borough Council and Carnival UK. As part of our research we also spoke to RSE Consulting who carried out a customer segmentation exercise at Hackney Council. We are grateful to all for their helpful contributions.

In addition we have reviewed the literature in this area and received advice from Professor Bob Johnston of Warwick Business School which drew on his wide knowledge of customer service in public and private sector organisations both in the UK and internationally.

We were delighted to give a presentation on ‘Customer service in local government: learning for the future’ at an Institute of Customer Service annual conference.

## The case study authorities

### Blackpool:

Blackpool, a unitary council in the North West of England, is the most densely populated local authority area outside London. Around 150,000 people live within an area around 3.5 miles in diameter. The town suffers from high unemployment and there are many health and disability-related issues in the borough, together with a high mortality rate. Blackpool, at the time of the research, was 23rd of the 50 most deprived authorities in the United Kingdom.

### Bradford:

Bradford is a metropolitan borough council in the North East of England, with a population of 481,000. It includes the city of Bradford, the four towns of Keighley, Bingley, Shipley and Ilkely and numerous outlying villages. The population is multi-cultural with almost 20% of its population of Pakistani, Bangladeshi or Indian origin. Unemployment rates are relatively high, particularly in areas of social housing in the city. Educational attainment rates and average wages are below the national average.

## Bristol

Bristol is a unitary city council in the South West of England with a population of 408,000, the eighth largest city in England. The city has benefited from strong economic growth and low unemployment, relative to the national average and high levels of economic prosperity. The city sits in the middle of a predominantly rural region.

## Camden

The London Borough of Camden has a population of 198,000 and covers an area of 22 sq km (2,180 hectares) of inner London, north of the West End and City of London. The borough stretches from Hampstead Heath (one of the largest open spaces in the capital) through Camden Town, Euston and Kings Cross to central London. Parts of central London such as Holborn, St Giles and Covent Garden are among the capital's most built-up areas. The borough contains pockets of great wealth as well as areas of great deprivation. Although transport links into central London are good, cross-borough links are difficult.

## Edinburgh

Edinburgh, the unitary council for the capital city of Scotland, has a population of 453,670. Before the recession, it had the fastest growing economy in the UK with forecasts for 2016 predicting that 23,000 jobs would be created in the city with households increasing by 35,000. Tourism brings in over £1billion annually to the city.

## Hackney

Hackney is a London borough with a population of 208,000. It is ethnically diverse with a high degree of inward and outward migration. The borough contains contrasts of wealth and deprivation. The south west of the borough is close to the city and benefits from office development and higher property values. The borough also includes Hoxton, Shoreditch, Dalston, Clapton, Stamford Hill, Hackney Marshes, Hackney Wick, Homerton and Stoke Newington. Some areas within the borough will be used for the London 2012 Olympics.

## Moray

Moray, a unitary authority in North East Scotland, has a population of 87,000 living in or around the five main centres of Elgin, Forres, Keith, Buckie and Lossiemouth. Traditionally the local economy has relied on fishing, farming, food, forestry, textiles and whisky. Service industries continue to grow. RAF bases at Kinloss and Lossiemouth have also contributed greatly to the local economy. Unemployment rates have been well below the Scottish average.

## Northumberland

In area alone, Northumberland is the sixth largest English county and is sandwiched between the Scottish border and the Tyneside conurbation, with wide differences in population density. Half the population live in just 5% of the land mass in the south of the county. There are few ethnic minorities – just 1% of the population; these tend to be concentrated in the south of the county. The sparsely populated areas of Northumberland have implications for the cost of service provision.

## South Tyneside

South Tyneside is a unitary council in the North East of England with a population of 152,000. It covers an area of 64 sq km, bounded by the North Sea and River Tyne. The council area includes South Shields, Jarrow, Hebburn, Boldon, Whitburn and Cleadon. The area was traditionally industrial, including shipbuilding, coal mining and heavy engineering. All these industries have declined dramatically in recent years. Unemployment rates in the area were the highest in England and Wales in 2001, but have eased since then due to economic regeneration work.

## Torfaen

Torfaen, with a total population of around 90,500, comprises a varied 12 mile long valley in South Wales from Blaenavon in the north to Cwmbran in the south. The council headquarters are in Pontypool, which has a population of just over 36,000 and the other main offices are in Cwmbran. Cwmbran is a ‘new town’ created in the 1950s and 1960s and is the biggest centre of population (more than 49,000) and commerce in Torfaen.

## The research team

The research team comprised Howard Davis, Professor John Mawson and Katrina Ritters from The Local Government Centre, Warwick Business School and Mike Tricker of Aston Business School. John Hilton of The Local Government Centre, Warwick Business School, undertook interviews in one authority. We were advised by Professor Bob Johnston of Warwick Business School. Claire Edwards of The Local Government Centre, Warwick Business School, provided project support.

The Local Government Centre, Warwick Business School was launched in 1988 as a self-financing research centre within Warwick Business School (WBS) – a 5 star research institution. It is one of the largest research centres in WBS, as well as being the biggest single contributor to WBS research income. It is also one of the leading centres nationally and internationally engaged in the study of local government, local leadership and political management

We would also like to thank here to David Parsons, Dr Ted Johns and Ossie Hopkins from the Institute of Customer Service for their unstinting help, support and advice during the course of our work.

## Structure of the report

The report begins by examining the drivers that have led our case study authorities to take the approach to customer service and citizen engagement that they have. We look at how successful local authorities are working to sustain the momentum of customer service once the initial strategy is in place and some of the challenges they are facing. We then look at customer service approaches in the public and private sectors, their similarities and differences. We also look at the customer service journey over the last 25 years and set out some challenges for the future. Finally, we set out our key findings, some challenges ahead and our conclusions.

# 3. The context for customer service and citizen engagement

Traditionally customer service has not enjoyed a high profile within local government but each local authority has had its own approach, consciously adopted or not. The access route may have been via the grand steps of the town hall or through a busy office in a side street. There may have been pockets of excellence but the chances are that provision was patchy, with a multitude of access points, service standards and opening hours.

Things have changed over the last few years and there is now a much greater awareness of how local government serves its customers and of its impact on citizen perceptions. In June 2006 the then Prime Minister Tony Blair set out the government’s approach to ‘21st century public services’. He noted the ‘common desire to improve the service we offer’ and emphasised how expectations had risen:

*“Today, people want the service to be organised around them, not them around it. They want high quality service, tailored to their specific needs and at a time and place convenient for them. One way or another virtually every modern government round the world is struggling with this agenda of reinventing government and public service reform.”<sup>1</sup>*

<sup>1</sup> Blair, T (2006), *Public Sector Reform Speech*, 28 August 2009, [www.number10.gov.uk](http://www.number10.gov.uk)

He went on:

*“The institutions of 1945 were a deliberate and inspiring response to the challenges of their day. They were built on barren land, for a people whose immediate folk-memory included deep economic depression and the threat of invasion. They were created for a country that was hierarchical, stratified by class, ordered and deferential. Women tended to stay at home and half the workforce was employed in manufacturing. Government provided comparatively little in the way of services and people were grateful for what they got. The past, in the old saying, is a foreign country.”*

Gordon Brown, in a speech to a citizen’s jury event in London, said:

*“The only way we will get the policies right in the future is by listening, involving and engaging all those who have got a lot to say about how we can develop the services of the future.”*<sup>2</sup>

On the future of the NHS he said:

*“Citizens increasingly keen to receive services when and where they want them means that the NHS must become more responsive and better able to serve the needs of the public.”*<sup>3</sup>

In December 2006 Sir David Varney published his report on service transformation in the public sector. He set out a vision for a more joined up, responsive and businesslike approach to dealing with users and citizens and backed this up with proposals to turn this into reality.

The government has embraced this approach and in the 2007 Pre-Budget Report and Comprehensive Spending Review (CSR) covering the period 2007-11 it set out plans for a Service Transformation Agreement. This agreement underpins each of the 30 Public Sector Agreement (PSA) outcomes and applies to all government departments. It sets out specific actions for each department to ensure delivery.

Key objectives include a commitment to a 50% reduction in the number of avoidable contacts (i.e. those contacts that add no value to the outcome of the transaction, often caused by mistakes in the way that contact has been routed); a reduction in the number of government websites; higher standards for contact centres; improvements in information and identity management and work to help individuals influence the design, delivery and enhancement of services.

Local authorities link to the CSR through local area agreements where they set out which government indicators they will deliver for their local area. These include a service transformation indicator which commits local government to improvements in customer service. A Local Government Delivery Council oversees the interface between central and local government in implementing service transformation, reporting to senior civil servants.

Customer service strategies in local government are therefore enjoying a significantly higher political profile and a stronger corporate steer than in the past. But there are also a number of practical reasons for this:

## **Because local government inspection regimes demand it**

Councils have rarely been under the degree of scrutiny than at present, through Comprehensive Performance Assessment (CPA), joint area reviews, corporate assessment, area assessment and individual service inspections. Perhaps unsurprisingly, local government has been criticised for focusing on the inspection process itself rather than improvement of services:

*“Too often improvement is not seen as being about improving the life chances of individuals and communities or about building a stronger democracy. Instead Improvement (note the capital ‘I’) is seen as being about managerial compliance with an externally imposed assessment process.”*<sup>4</sup>

<sup>2</sup> Brown, G (2007), Speech at Citizens Jury Event in London, 29 September 2007, [www.pm.gov.uk](http://www.pm.gov.uk)

<sup>3</sup> Brown, G, article on NHS Citizen Consultation, 18 September 2007

<sup>4</sup> Beyond Competence: Driving Local Government Improvement: Policy Paper, The Local Government Association, December 2005 - P Swann, H Davis, J Kelleher, K Ritters, F Sullivan and M Hobson

However, customer and citizen perceptions are gaining an increasing profile within the inspections themselves and MORI polls, citizen panels and customer satisfaction surveys are now becoming routine tools for councils and individual services to apply.

The Audit Commission has set out five critical success factors for a council seeking to improve its customer service and citizen engagement:

- a commitment to user focus and citizen engagement
- understanding your communities
- clarity of purpose
- communicating in appropriate ways, and
- delivering change and improved outcomes <sup>5</sup>

Among the performance indicators currently measured by the Audit Commission, local authorities are asked to submit data on the percentage of residents satisfied with their neighbourhood as a place to live; the percentage that consider their neighbourhood is getting worse; and on the percentage of local residents surveyed who find it easy to access key local services. Other Audit Commission reports pick up the quality of communications and community engagement.

## Because innovation demands a ‘conversation’ with citizens and service users

Government policy is steering councils towards a partnership approach – partnership with other agencies, but also with customers and communities themselves. Local government is moving away from universal, some might say paternalistic service provision towards a role in which citizens themselves play a more active part in finding solutions, perhaps with help from the council. Choice of service provider and sometimes type of solution is also a part of this picture. So, for example, in the field of domiciliary care for older people, there is a move towards giving individual budgets for older people to spend as they wish coupled with work to stimulate the local market to provide cost effective services to meet their needs.

Approaches such as these demand a conversation with local people about where their priorities are; how local government can best add value to service provision and what local people and communities are able to do for themselves. Our case study authorities were able to demonstrate a wide range of approaches to this ‘conversation’, often taking the debate into rural communities - places like pubs and parks where people gather - using a variety of formal and informal ways to present the message; involving elected members and staff of all levels to present the options and to listen to people’s feedback. Often the preferred solutions are not what chief executives and senior managers might have expected.

Information for consumers and education about how to make wise choices are also part of this picture. For the dialogue to be meaningful, customers must be aware of what is on offer and what the potential consequences of their choices may be:

*“Consumer education empowers people to use information more effectively and to be more confident about the decisions they make... consumers need information, advice and consumer education to come together to help them become confident, demanding and articulate consumers.” <sup>6</sup>*

With the rise of the environmental and other agendas, councils are also increasingly feeling the need to influence consumer and citizen behaviour, for example to increase recycling or take up a healthier lifestyle. Gordon Brown said:

*“At the same time we have got to prevent, and that means helping young people get the education that will mean that they will not fall for those who try to sell them drugs, and that means better education not just necessarily in the secondary schools only but also perhaps in the primary schools as well.” <sup>7</sup>*

<sup>5</sup> Audit Commission, *User Focus and Citizen Engagement: Learning from Comprehensive Performance Assessment: Briefing 4, 2004*

<sup>6</sup> Ritters, K and Brennan, C (2006), *The Current arrangements and Challenges for Consumer Education in the UK, in Report of the 2006 International Forum on Consumer Education Strategy for Consumer Empowerment, Seoul, Korea*

<sup>7</sup> Brown, G (2007), *Speech at Citizens Jury Event in London, 29 September 2007, www.pm.gov.uk*

*“So I think one of the things that (we)...are going to be looking at .... is how we can improve the flow of information to parents and to young people, both about what is available and what are the choices that people have in some of the decisions that they want to make.”<sup>8</sup>*

All of our case study authorities recognised the importance of good quality and accessible information as a starting point for customers and citizens to make informed choices about the services on offer. This was also underlined by Gordon Brown:

*“... maybe that is one of the answers to the pressures that people feel under that the starting point of getting better services is having better information about the choices that you have.”<sup>9</sup>*

Good quality communications was a priority for our case study authorities, many of which had received external awards and recognition for this part of their work.

## Because IT makes it possible

Although technology alone cannot provide the solution, the growth in both personal and corporate use of IT is making new channels of communication and more integrated central call handling possible. Rationalisation of numbers and access routes has made contacting councils easier and more straightforward. Customer relationship management systems are helping local authorities better understand and handle customer contact. Deep embedding of IT systems has enabled appointments and requests to be made from outside the service itself.

On the demand side, mobile phones and text messaging, digital TV and wider internet use have the potential to revolutionise the ways in which people communicate with their local council. Some of our case study authorities were leading the field in developing websites to support customer interactions and in linking subsidiary IT systems to support contact centre functions.

## Because it's the right thing to do

There was a strong feeling among staff in our case study authorities that investing in good customer service is the 'right thing to do' for their local community. Citizens also expect they will be treated with the same degree of courtesy and responsiveness as when dealing with providers of service they have to pay directly.

# 4. Developing a customer focus

## Identifying the need

The drive to develop and deliver a customer service strategy came from a number of sources in our case study authorities.

In one council, the focus grew out of a corporate drive to improve access to authority buildings. Research into customer need revealed that over half of council contacts were by telephone and this led to work and resources being diverted to the provision of a CRM system and better telephony standards.

In another area, the possibility of local government reorganisation led to a group of authorities commissioning a feasibility study into setting up a joint call centre. Funding came from central government as part of an Invest to Save initiative. Although it was decided not to go ahead, work carried out for the study exposed the challenges the public faced when trying to contact one of our case study authorities. At that time:

<sup>8</sup> Brown, G (2007), Speech at Citizens Jury Event in London, 29 September 2007, [www.pm.gov.uk](http://www.pm.gov.uk)

<sup>9</sup> Brown, G (2007), Speech at Citizens Jury Event in London, 29 September 2007, [www.pm.gov.uk](http://www.pm.gov.uk)

- there were over 30 reception points across the council area and nearly 400 publicly advertised telephone numbers
- 35% of publicly advertised telephone numbers went unanswered
- approximately 60% of customers contacted the wrong point initially and had to be signposted elsewhere
- only 40% of enquiries were resolved in the front office
- there were poor telephony standards across the council with regard to response times, call announcement and call handling.

These findings helped managers and elected members to work on a strategy which has helped the council develop award-winning customer services.

Local government reorganisation was behind the development of a customer service strategy in another case study area, which saw the creation of a new unitary authority. Customer service here was seen as a tool to change the culture of the new organisation and to move away from what they saw as ‘insularity and command and control attitudes’ in the old system.

Several of our case study authorities mentioned the arrival of a new chief executive as being the driver for a customer service approach. One mentioned a recent change in political control as providing a boost - a manifesto pledge to remove vehicle clamping had led to a greater focus on service delivery.

Neighbourhood policies are also beginning to have an impact on the profile of customer service in authorities but local needs are influencing the approach to be taken. In one area there was a move to open more council access points in other rural communities and to work in partnership with district councils, co-locating with district council access points. In another, the council’s CRM system was seen as a potentially important enabler for community engagement. The contact centre takes around eight million calls each year and this was seen as a potentially important source of information.

One authority mentioned the introduction of the 101 emergency number as helping to focus on joining up and sharing information across the council. Another said the transfer of housing stock to a private organisation meant that local housing offices had to close. This led to the corporate customer service centre finding better ways to answer housing and other queries.

Several authorities mentioned negative comments as part of a CPA or MORI survey which prompted them to look at access and consultation strategies. In Hackney, a drive to understand residents better led to a major customer segmentation strategy developed along private sector lines.

Perhaps paradoxically, another driver mentioned by more than one authority, was the value for money agenda. The need to demonstrate efficiency savings had led several authorities to try business process re-engineering. In addition to saving money, many of these schemes have led to processes being simplified and to a system that better serves the needs of the customer as well as the staff.

## Key features of customer service approaches

All our case study authorities took a corporate approach to customer service, supported by a customer service strategy owned by the organisation as a whole. There was often a customer service champion at senior management level with authority to develop strategies and approaches across the council. Customer contact centres are being developed, aiming to go further than the traditional switchboard and handle a good percentage of simple enquiries and requests for service from end to end.

This corporate approach has a number of characteristics that were present to a greater or lesser extent in our case study authorities:

- customer service is beginning to be seen as a function in its own right, as well as an integral part of existing services
- strategies to enable wider access; better responsiveness to customer contact
- standards for provision of information on service availability and eligibility
- structured approaches to dealing with complaints – with standards for response times; recording; complaint escalation, etc
- more use of planning, performance measurement; feedback techniques and perception studies in designing and managing services; particularly to ensure continuous improvement
- a structured approach to access channels – single point of contact; opening customer contact centres; use of interactive websites, etc.
- use of marketing tools and techniques to better understand customer views and needs
- use of customer relationship management systems to manage customer contact across service boundaries
- work to integrate customer information needs around life events – moving house; bereavement; marriage, etc.
- customer feedback used as part of evidence-based policy making.

However, in addition to common themes, there were also considerable differences between our authorities and the way that customer service was delivered and funded. For example, in one authority, the customer service function had a budget of £1million and 65 staff; others were operating essentially as a call handling service with only a handful of staff. In some authorities, those functions traditionally thought of as supporting an authority-wide customer service approach were all housed together or had very strong links; in others, links were made through formal cross-organisational working groups.

In some authorities the drive to develop a customer service strategy had grown out of a need to reduce office accommodation in the community and centralise services; while in others it was part of a strategy to develop a presence in local communities. For example, in Torfaen there were 29 public access points. Although there was one in the reception area of the civic centre and some in leisure centres, overall few were in council buildings. Other sites include a grocery shop and a doctor's surgery. The 30th access point, installed in Pontypool town centre, would be 'open all hours'.

## Leadership

The importance of strong corporate leadership is a key finding of our research across all case study authorities.

In two of our case study authorities the chief executive came from a background with a strong customer service ethos. For example, in Torfaen the chief executive came to the authority to fill a newly-created post with a specific remit of improving customer service, before being promoted to chief executive. In South Tyneside, the chief executive came into post from another local authority but with a background in marketing in the private sector.

However, all our authorities felt that there was visible and tangible support from their chief executive, even where the initiative was being led corporately by a senior manager. Most authorities had a network of corporate groups set up to establish and embed initiatives such as improved access; better consultation; improved communications and/or value for money through business process re-engineering. There were many examples of chief executives talking to staff about the importance of customer service and of it being a theme in corporate newsletters.

Through corporate training exercises, many authorities were developing a network of customer service champions or ambassadors. These were often staff at a range of levels in the organisation and in a number of service departments who were committed to the idea of good customer service and speak favourably about its importance with their colleagues.

Developing a sense of ownership and pride in the organisation was something most authorities were working towards. One authority spoke of its chief executive's 'Stella test'. He asks his staff: *"If someone asked you in a pub where you worked, what response would you get?"* Although Stella's slogan is 'reassuringly expensive' it was thought here to refer to the quality aspect of the brand. At the time of our research the response was that it was likely to be 'mixed'.

## Customer service ethos

The customer service values of teamwork; pride in the organisation and putting the customer interest first came across strongly among teams involved in delivering customer service in local authorities. They were often thought of as 'can do', particularly in relation to the rest of the organisation.

However, the same staff also often said that it was challenging trying to embed this culture across the whole organisation:

*"Certainly if the managers were here they'd say we should be able to answer the telephone quickly and properly. That's seen as the marker. But we have to have a management that's also thinking about the products and the service".*<sup>10</sup>

Many customer service staff talked about the importance of a service delivery focus throughout the rest of the organisation. *"No matter how well we can answer the telephone we're only as good as the rest of the organisation."* This is where leadership from the top is so important. In South Tyneside for example, the chief executive spent time with teams of refuse collectors, trying to identify and break down barriers to good delivery and to help all staff see the importance of doing a good job.

Case study authorities were employing a number of techniques to try to raise the profile of good customer service:

- a directorate 'well done' board where space is given for letters of thanks and commendation
- annual 'achievement ceremony' for people who have undergone training

On the other hand, when asked about staff reward and recognition schemes, one respondent said: *"We don't have one and we don't want one – it would be like showing off."*

# 5. Supporting and embedding the customer focus

## Knowing who your customers are

Our research revealed a range of responses to the question of how do organisations know who their customers are and what they want – from a fairly traditional *'we know because we know'* to a sophisticated market segmentation approach. Others were more concerned to identify particular access needs – such as for translation, hearing impaired, physical disability and particular cultural approaches. In Torfaen, for example, staff were available who could communicate in British Sign Language and a video-phone linked to the Royal Institute for the Deaf had been installed in one centre. Several councils mentioned that they subscribed to Language Line to meet the needs of minority language speakers.

<sup>10</sup> Customer service adviser

Respondents did not see much of an issue in the distinction between the needs of customers and those of citizens. It was felt that anyone contacting the council had a right to expect high minimum standards of responsiveness, professionalism and courtesy. Beyond this, some of the techniques of customer service, such as information gathered through customer relationship management systems and market research, could be used to inform wider policy making.

However, one authority did flag up the difficulty authorities faced when they went out to consultation with a less than open agenda:

*“We do know what our customers think when there’s a war on. When the council wanted to replace two schools with one new one, the consultation revealed that the public really wanted to retain their existing two schools. The public said ‘we want two schools; the council says one; the public says two; the council says – ‘it will be a super school’; the public says – ‘we want two schools’; the council say ‘you can’t have two schools’ – now we’ve got open warfare and the public are determined to have two schools.”<sup>11</sup>*

Several of our case study authorities were working on ways to structure customer contact around various life events with work taking place behind the scenes to join up services and allow multiple actions in different service departments from a single customer contact.

## Customer Segmentation in Hackney

In 2005 Hackney Council commissioned RSE Consulting to carry out a customer segmentation exercise as part of its Service First Strategy. Hackney saw this as a first step in the process of gaining a better understanding of its customers and their needs.

RSE began by combining data from a number of sources to create a comprehensive picture of the population of Hackney, by age, income, service use, household characteristics and area. Using MOSAIC data categories, GIS mapping and focus groups they then identified a small number of key customer groups, the number in each group and their location within the borough. The groups were:

- privileged families
- comfortable empty nesters
- dynamic singles
- independent elderly
- settled families
- struggling singles
- breadline families
- dependent elderly.

The next stage, using Hackney service data, survey data, focus groups and sampling data, was to look at the services used by each group; how they are accessed; satisfaction levels and preferences in relation to access channels. Finally, by analysing data and running workshops with council staff, they looked at the implications for service delivery.

<sup>11</sup> Customer service adviser, Moray

The key finding of the exercise was that wealth and life stages were the major drivers of service use. Ethnicity is relevant in terms of how customers should be communicated with but had less influence on service needs. This finding was consistent with segmentation exercises carried out elsewhere in local government and also in the private sector.

For example, wealth has a strong influence on whether citizens have a choice on how their needs are fulfilled; the nature of the services used and the channel use (at the time of the research there was a strong correlation between wealth and internet usage). Life stage changes are also triggers for the use of particular local authority services – education, for example, or social care for older people.

A more detailed consideration of ethnicity showed wide variation of service needs within a particular group; with no one group dominating a particular customer segment. Use of particular services, such as housing benefit, was driven more by segment than ethnicity. However, channel preference and satisfaction was driven by both segment and ethnicity. For example, settled families had higher satisfaction across all ethnic groups and black-Africans had consistently higher satisfaction within segments.

Other key findings from the study are:

- Hackney has four main distinct customer groups. Each of these groups has different service needs and wishes to interact with the council in different ways. The four key groups are ‘dynamic singles’, ‘independent elderly’, ‘breadline families’ and ‘struggling singles’
- over half of the population is in two groups – ‘struggling singles’ and ‘breadline families’. These groups are less affluent and high users of needs-based services
- almost a quarter of the population are ‘dynamic singles’ – young and reasonably affluent
- there are significant differences in levels of satisfaction across the groups, although poor customer service is a common driver of dissatisfaction
- most groups use expensive channels of communication (such as face to face) because they do not trust the level of service they get on the phone or council website.

The study helped Hackney develop a strategy in relation to customer access channels. It revealed to the council a previously under-recognised segment of the population – dynamic singles – which make up around 21% of the population. This group have higher than average dissatisfaction levels with the council and would prefer services to be available through the internet. This enabled Hackney to prioritise services used by this group for their website which allowed a more cost effective service option and increasing customer satisfaction at the same time.

At the start of the study Hackney did not have a consistent, corporate understanding of its customer base. Customer data was difficult to access and any customer analysis tended to be issue, service or geographically-based. This study has begun a process of better understanding of customers. It has helped identify the main needs and sources of satisfaction or otherwise with services and therefore to plan the most important areas for improvement and methods of communication.

## Knowing what your customers think

All our case study authorities were interested in gaining customer feedback; both on the experience of contacting the council itself, and on a wider plane, how they felt about the area as a whole and what broader policies they would like to see the council develop.

Several mechanisms were used to gain feedback on the customer service experience:

- mystery shopping – sometimes externally commissioned; other times using recruits from inside the authority and sometimes on a reciprocal basis between authorities
- exit polls from the customer centre
- phone calls recorded; 10% quality control check each month in one authority
- comment cards are available in the customer centre – around 60-70 returned each month in one authority
- executive members across the authority meeting regularly to discuss performance against PIs

And in relation to the area/ authority as a whole:

- standard best value performance indicators on resident satisfaction – have increased from 55% to 80% in recent years in one authority
- citizens panel for the local authority as a whole in partnership with the PCT
- instant survey on the website – single question with a yes/no vote; feedback given on previous questions
- questionnaires sent out with council tax forms and information
- regular formal meetings with resident groups
- results from resident surveys fed into ward profiles to strengthen support for local elected members.



*What Makes You Mad, Sad or Glad about living in Northumberland?*

A typical resident survey might give an authority information on how residents perceive the council as a whole, and sometimes individual services within it. People might be asked how well informed they feel about what the council is doing and how to access services. They might also be asked where they get most of their information about the council and perhaps for feedback on council newsletters, information centres and the way that customer contact and complaints are handled.

Most of our case study authorities reported significant improvement in satisfaction ratings on these types of surveys since embarking on their customer service strategies. For example, in South Tyneside in 2004/5 MORI reported an 11% increase in residents feeling well informed about the council (now at 58%).

Meanwhile, 38% of residents said they obtained most of their information about the council through its magazine (an 8% increase).

## Harnessing technology

Technology featured highly in our case study authorities' customer service strategies, whether it related to meeting and improving telephony standards, developing interactive services on a customer website or trying to develop embedding in a customer relationship management system.

At its simplest level, all authorities had a focus on how they answered the telephone. Often, previous poor response times, difficulty in getting through or a proliferation of telephone numbers had been drivers for the development of a corporate approach to telephone access.

Typically, authorities were looking to improve performance in the following areas:

- minimise the number of telephone numbers given out to the public
- answer 80% of calls within 20 secs
- lose less than 5% of calls
- have customer satisfaction targets
- all calls recorded
- have access to translation services
- minimise use of automated systems.

Some authorities were starting to use text messaging, particularly as a way of contacting young people. One authority described texting as *'very well used'* and its potential as *'massive'*. It used text messaging to contact young people to remind them to vote in local elections.

One authority operated, as part of a group of local authorities, a series of kiosks giving access to council websites, emails, jobs and *'what's my nearest...?'* information.

Some authorities issued field staff with hand held PDA devices so that issues such as graffiti, for instance, could be reported as soon as possible to the customer contact centre. Equally, once a job is completed it can be reported immediately to the contact centre.

Refuse collectors in South Tyneside now carry Blackberry mobile phones. These enable them to be able to call the contact centre directly when they see something that needs to be dealt with by another team, such as an abandoned car or fly tipping. Updates are sent out electronically to all members of the team. Contact centre staff also say that having an electronic copy of communications gives them an audit trail of consumer concerns.

## Websites

Many of our case study authorities had well regarded websites. South Tyneside's for example, is one of SOCITIM's top 60 transactional websites. Between 2003 and 2005 the number of visitors doubled. The Camden website is regarded as one of the best of London local authorities and in the upper quartile of authorities across the UK.

Over 1,500 users have already signed up to the Camden website and work is taking place to develop portals that can be individually tailored to user interests; also to take the website down to neighbourhood level. It contains over 120 interactive forms and the contact centre has carried out innovative work on scripting to help people fill in online forms.

### Camden: 'Show Me'

Camden's call centre development team has adapted their Lagon CRM system to enable staff to help telephone callers fill in online forms.

The council website already has over 120 online forms and the number is expanding. In the past contact centre staff found it difficult to directly help callers with the forms as it meant they would have to drop out of their CRM system and into the council website.

The new system – called ‘Show Me’ – is directly integrated to the scripting used by contact centre staff to deal with enquiries. Staff can click on a ‘Show Me’ link which shows a video-type presentation of how to get to and scroll through the various links on the council website to access the required service.

Although the presentation looks like a video it can be stopped, slowed and accessed by staff at any point to deal with specific queries from callers.

A further development of the system allows contact centre staff to generate an email to the caller spelling out a weblink to the appropriate information. This is particularly valued by staff as weblinks to deeply embedded information can be very long and unwieldy to give over the telephone. With the caller’s consent, their email information is then added to the CRM system, helping to build a more complete database of residents’ location, contact details and interests.

## Customer relationship management systems (CRM)

Several of our case study authorities had CRM systems, but even those with fairly well developed systems were finding it challenging to deeply embed it with service-specific systems.

In Camden, effort was on integrating the CRM system with others in the council, but the focus was on breadth of coverage rather than depth of links. There were between five and seven systems being used by the contact centre alone.

There were some good examples of deeper embedding. In South Tyneside the council system was integrated with that of the street lighting service provider, Balfour Beatty. Staff can pinpoint the exact streetlight on a grid, log it as an ‘outage’ and authorise work to be done. They are aware of the service standard attached to the contract between the council and Balfour Beatty and can therefore tell the customer it should be put right within three days. They are also able to investigate the Balfour Beatty system to check if the work has been done. In Blackpool, they provide deep links between corporate and adult social care systems so that customer service staff can solve more problems and to a greater level of detail.

## Working with technology

While technology can make things possible in relation to customer service, particularly in terms of improved information and feedback to service managers, its introduction was often not without problems.

For instance, one authority had problems with some operational staff being reluctant to put service information on the council website. Staff saw this as an addition to existing workloads rather than a potential mechanism to reduce them in the future.

Another theme in interviews was the extent to which service staff felt challenged by a highly computerised system, particularly one tracking the extent and speed at which requested services had been carried out.

High investment costs involved in buying and maintaining hardware were felt to be a potential barrier to the use of technology as was the problem of compatibility between front and back office systems.

There is also, of course, a resistance by the public to being ‘processed’ by automated call handling systems and websites. Most of our case study authorities were sensitive to this and tried to develop working practices that minimised its effects as far as possible. In Camden, for instance, work to capture and link information from callers is done in as user-friendly way as possible. For example, people are not asked for their details until staff have established they have a problem which needs to be taken further – simple enquiries are answered straight away. But people are encouraged to give email addresses so that enquiries can be followed up, weblinks can be sent, etc. These are then attached to the customer record via CRM. The authority is interested in developing ways to personalise access to its web services – through the development of individual portals giving fast access to those services and areas of interest to the subscriber.

## Consistency and continuity

All our case study authorities were aware of the need to maintain a focus on customer service throughout the whole organisation and to continually improve processes to improve it. Measurement is key to this and case study authorities are developing and improving ways to measure their customer service – both in terms of actual delivery and in terms of how it is perceived by customers and residents. Typical performance indicators included:

- speed of response
- average customer waiting times
- first time resolution
- abandoned calls
- customer satisfaction – external and internal
- % of customers satisfied with the overall service
- % of customers satisfied with the opening hours
- % of customers satisfied with the length of waiting time
- % of customers satisfied with the level of comfort and facilities in the waiting area (for walk-in facilities)
- % of customers satisfied with the services delivered by staff
- % of customers satisfied with the information received
- % of quality control checks to agreed standards.

In Torfaen, a customer tracking system records contacts with individual customers over time. This generates monthly reports that are summarised and placed on internal notice boards. Targets are also set for *'abandoned'* telephone calls and are the subject of service level agreements with service departments.

Some authorities were looking at the idea of a customer service peer review. Others had commissioned reviews of their customer service function from external organisations. Torfaen, for instance, commissioned BT Wales to carry out an operational review of its telephone services.

One council was engaged in benchmarking with a group of authorities in the same area. This was felt to have been good for networking and general exchange of information but there was a limit to the amount of information seen as 'commercially sensitive' that could be exchanged.

In Blackpool, the Customer First manager was an assessor for the N W Excellence Awards under the Business Excellence model. The authority was working towards Investor in People status and Chartermark in Customer First.

In addition to formal, routine monitoring of performance, there was a strong focus on our case study authorities on individual feedback, training and monitoring. One authority listened-in to around 10% of calls as part of its quality control work. Another is looking to introduce a performance scorecard for individuals – to include productivity, quality, etc. More generally, it was striking how our case study authorities had managed to create a team-based, positive culture-based on good communications, feedback and team working.

A number of case study authorities had also gained external validation and recognition. For example, Northumberland Council was successful in a ‘Top 100 Companies’ competition due to the quality of its staff surveys. It was one of only two organisations in the north east in the top 100.

In terms of external validation of the quality of the service, in 2002 the Cwmbran Customer Care Centre won the Front Line Customer Services Team of the Year Award in the National Customer Services Awards. In doing so they beat off competition from major private sector organisations. In research into customer service provision in local authorities, Aston University placed both the Call Torfaen and the Customer Care Centres in the top five providers in their respective categories.

At the time of the research, Blackpool was applying for a Guardian Public Services Award for Customer First.

## 6. Is customer service different in the public and private sectors?

*“... the danger is that we use the obvious truth that the purpose and ethos of public services are not the same as business, to ignore the fact that, in many respects they do indeed operate like businesses; and in doing so, we confuse the ethos of public service, with the vested interest of keeping things as they are, failing to adapt to necessary change.”<sup>12</sup>*

### Context

Our study did not set out to comprehensively survey and assess customer service in the public as opposed to the private sectors. Rather, we were concerned to look in more depth at Institute member authorities that were taking positive steps to embed customer service throughout their organisations.

However, in 2001 a report by Professor Bob Johnston from Warwick Business School for the Institute tested customer views on the service aspects of a wide range of organisations, both public and private sectors. Local government on the whole had a negative rather than a positive image for service. At the time it was seen as being much worse than first direct, John Lewis and Virgin Atlantic, but better than the NHS, easyJet and Virgin Trains. It was felt to be around the same as Stagecoach, Aldi and British Gas.<sup>13</sup>

In addition, the Varney Review, which reported in December 2006, comments in a number of places on its perception of differences between customer service in the two sectors. According to the report,<sup>14</sup> of the 5,700 contact centres in the UK, over 730 are in the public sector and just over half of these are in local government. Around 400 million calls a year – which is around 200,000 calls an hour – are made to public sector call centres. The average size of a UK public sector call centre is 123 FTEs (Full Time Equivalents). However, the authorities in our study were generally smaller than this, with staffing levels typically less than 100.

While recognising the existence of good practice in the public sector (many of the examples were from local government), the report concludes that these are *‘the exception rather than the norm’*. It advocates a reduction and simplification of the number of access channels and a drive towards efficiency in customer channel management, with the potential to secure improvements of 25% over the 2007 CSR period.

The UK Customer Satisfaction Index (UKCSI), the national measure of customer satisfaction from the Institute of Customer Service, has consistently placed the public sector behind the private sector since its inception in 2007. Up to date results can be seen at [www.ukcsi.com](http://www.ukcsi.com)

<sup>12</sup> Tony Blair, 21st Century Public Services speech, 6 June 2006

<sup>13</sup> Bob Johnston, *Service Excellence = Reputation = Profit: Developing and Sustaining a Reputation for Service Excellence: A Research Report*, Institute of Customer Service, 2001

<sup>14</sup> Varney Review, para 7.6

Most of our interviewees felt there was no simple answer to the question ‘Is private better than public?’ when it comes to customer service and no absolute truths.

It was recognised that, in many cases, the context is different because the public sector provides a service that is perceived as ‘free’ in an arena that is tightly resource constrained. Decisions therefore need to be made about service allocation, rationing and managing the expectations of those people who are not eligible and therefore risk dissatisfaction and disappointment. Customer service can help soften the message and improve the dialogue, but it cannot itself inject more resources into the system as a whole.

In the private sector there is more likely to be a direct relationship between customer satisfaction and financial benefits, assuming that the price of goods or service is set at a rate that more than covers the cost of delivery. In the private sector, having to turn customers away is seen as a sign of success; in the public sector it is seen as a failure to provide for its local community. However, this was not seen as a reasonable excuse to ignore the needs of the customer.

*“One thing that doesn’t change is that the customer is the same customer that goes to Sainsbury’s or the B&Q store....but in the private sector there’s a straightforward relationship – if you don’t keep the customer happy then you don’t have a business. But people don’t focus on customers in the way the private sector does. You need to connect what you do with the residents – that’s customer service.”<sup>15</sup>*

Customer service strategies have been successful in preventing ‘rationing’ due to lack of information or inability for the public to get through to council offices. But this can bring its own problems. In one authority, for example, an advertising campaign for free smoke alarms resulted in the annual budget being spent within one month. This and issues like it are beginning to force local authorities to address issues of targeting, resource allocation and the management of public expectations.

## Tools and techniques

Many of our case study authorities were basing their approach to customer service on techniques and principles first established in the private sector. The use of market research to gauge public opinion, customer relationship management systems to support contact centres, business process re-engineering techniques, customer excellence training and a team-based approach were all prevalent in our research.

On the other hand, it was felt that private sector solutions did not always work for local government. One of our case study authorities started out by looking at what solutions were available in the private sector but found that other authorities were experiencing problems with a ‘big bang’ whole-systems approach being implemented by a major private sector provider. Also, politically, it was felt preferable to develop their own in-house solution.

IT professionals also cautioned about the use of CRM systems as a panacea to customer service. They were felt to be only as good as the information sitting underneath them. Work was going on to integrate CRM with existing departmental systems but it was complex and required more training and updating to work at its full potential.

*“CRM should never have come to local government. It was originally a marketing tool. The only way it makes sense is if you use it for joining up government.”<sup>16</sup>*

At the same time we saw examples of excellent computer links between a local authority and a private sector service provider. In South Tyneside, contact centre staff dealing with queries on street lighting outages have direct access to the council contractor’s GIS system. Because contact centre staff have been trained in the service standard attached to the contract, they are able to tell the customer when to expect the repair to have taken place. They can also access the system to check whether work has in fact been carried out and in what timescale.

<sup>15</sup> Strategic Manager

<sup>16</sup> Customer service manager

## BRISTOL: mystery customers

Existing members of staff have been recruited to a panel and trained to undertake ‘mystery shopping’ exercises on specific service units. Two mystery shopping exercises are carried out each year – the results are fed back to the service unit managers. Where before and after exercises have been undertaken, the results have shown significant improvements in around 60% of services.

## People

All our case study authorities stressed the importance of having the right staff in place to deliver the strategy. A number had brought in people from the private sector to help them do this - either by acting as a catalyst to help change the culture and embed a service ethos into the council or to bring in specialist skills, for example when developing interactive websites and to support contact centre services.

Some authorities were constrained in the early stages of developing contact centres to use staff within the council. Often this was because a new centralised service centre was funded by bringing together frontline contact staff from service departments.

Some found this a hindrance to developing a different approach to customer responsiveness and over time have taken the opportunity to recruit from outside their initial staff group. One authority was working with staff drawn equally from the public and private sectors. However, customer service managers stressed that it was not so much the environment from which people had come that made them suitable for the job, but more of an attitude and personality that was empathetic, positive and ‘can do’.

*“Some people feel they are above customers, that they don’t need to involve the ‘public’ because they are acting as part of ‘the government’ or ‘the authority’. It’s an attitude particularly prevalent in regulatory services, I think.”<sup>17</sup>*

*“The drive for customer service should be the drive and expectations of customers and the organisation has no right to say we ain’t going to do it – because we’re here to serve.”<sup>18</sup>*

## Does the private sector have anything to learn from local government?

Customer service is perhaps at an earlier stage of development in local government than in the private sector. However, there is evidence of leading local authorities developing a distinctive approach, providing training to the private sector and winning awards where both public and private sector organisations compete.

For instance, Blackpool Council in-house trainers were asked to provide customer contact training for a local private sector leisure facility. This contact has proved fruitful and customer-facing staff in both the public and private sectors now work in partnership to share good practice and are even considering joint secondments.

In Torfaen the Cwmbran Customer Care Centre won the National Customer Service Awards’ Frontline Customer Service Team of the Year title, beating off competition from the private sector.

Informally, managers in local government felt the public sector approach might have more to commend it in relation to dealing with customers, particularly those that may need more time or who have special needs.

*“A key feature is that the authority should ‘ask not tell’”<sup>19</sup>*

<sup>17</sup> Strategic Manager

<sup>18</sup> Strategic Manager

<sup>19</sup> Customer service manager

Customer service managers were proud of the fact that they did not have strict 'wrap up' targets for customer facing staff and put huge amounts of effort into ensuring that contact centre staff really understood the services they represented. In Blackpool, for instance, each month contact centre staff have training for a day and a half following a 13 week induction period when they join. As part of their training they spend time with technical services staff to help identify the various elements of street scene equipment (gullies, inspection covers, etc) to help them pinpoint and communicate problem areas.

## Waterworld

Waterworld, a major tourist attraction in Blackpool, was relaunched following refurbishment. Following the success of Customer First in Blackpool Council they were asked to provide customer care training for all Waterworld staff before the relaunch.

Customer First staff worked with Waterworld on training design after looking at the business plan and job descriptions. They gave advice about the combination of staff for particular training groups and delivered the training.

Following this, Waterworld staff have been represented on Blackpool Council's Quality Circles Group, helping to devise reception and customer care standards and a customer charter, giving a private sector perspective.

Another interviewee felt the public sector was perhaps more thoughtful or considered about introducing new ideas:

*"The public sector is good at structure. It's methodical and systematic. Works on 100% certainty. The private sector is more likely to try something and if it doesn't work, drop it again."*<sup>20</sup>

*"Often it's a culture thing. Because local government is so diverse, it's difficult to draw people together with a common purpose. We're much more internally focused. For instance, we get involved in an argument between the county and district councils – and the customer gets forgotten."*<sup>21</sup>

But some people felt that providing good customer service was a fundamental part of good management:

*"In the last ten years local government has talked about customer service as if it's something new; something we've never done before. But what we're actually talking about is best practice – very much influenced by the world around us, life expectations. It's naïve of the public sector to think they have a choice as to whether to do this stuff or not."*<sup>22</sup>

20 Strategic Manager

21 Strategic Manager

22 Strategic Manager

# 7. The customer service journey: continuity and change

## The last 25 years...

For many local authorities, the focus on enhancing customer service can be viewed as the latest stage in a quality journey that began almost 25 years ago. For some this journey has included excursions through:

- *quality control* - with its emphasis on checking quality after the event and rectifying errors and service failures
- *quality assurance* - with an emphasis on specifying and documenting procedures to ensure greater consistency of service provision
- *quality circles* - promoted by the NSQT (National Society for Quality through Training) and aimed at enabling 'bottom up' improvements to specific services
- *Total Quality Management (TQM)* - an holistic, 'top-down' strategic approach aimed at embedding quality into whole organisations
- *The Business Excellence Model (later transformed into The Organisational Excellence Model)* - promoted by EFQM (the European Foundation for Quality Management) as a means of promoting and embedding TQM initiatives and gauging their impacts on an organisation's overall performance.

This journey has mirrored developments in private sector organisations, sometimes lagging behind and occasionally running ahead.

The adoption of such approaches has been influenced by a range of central government policy initiatives. However, a key factor determining the pace of innovation and change has been the presence or absence of inspirational leadership.

## Key 'milestones'

In retrospect, a series of critical events can be identified which have had a significant influence on the emergence of the current focus on customer service.

First, and most obviously, was the publication in 1982 of Tom Peters and Robert Waterman's seminal book, *In search of Excellence*. Building on the platform of the McKinsey 7-S model, they sought to highlight the crucial importance of a series of 'soft' factors – subsumed under the headings of *people, customers and action* – in achieving business success.

These critical success factors were summarised in eight themes:

- *a bias for action*, active decision making - 'getting on with it'
- *close to the customer* - learning from the people served by the business
- *autonomy and entrepreneurship* - fostering innovation and nurturing 'champions'
- *productivity through people* - treating rank and file employees as a source of quality
- *hands-on, value-driven management philosophy* that guides everyday practice - management showing its commitment
- *stick to the knitting* - stay with what you are good at
- *simple form, lean staff* - some of the best companies, they suggested, have minimal HQ staff

- *simultaneous loose-tight properties* - autonomy in shop-floor activities plus centralised values.

This philosophy was seized upon by a handful of visionary local authority chief executives who used it as a platform to seek to change the ethos of their organisations.

Further impetus for the development of a *'customer orientation'* was given by the work of Professor John Stewart and Michael Clarke, arguably the originators of this concept in the public sector. They produced several well known papers on what they termed the *Public Service Orientation* (Stewart and Clarke, 1987).

Their essential arguments were: first, that the nature of the public sector all too often leads public bodies to administer services to the public rather than develop and run services for the public and, second, that services are only of value if they are valued by the people who receive them. In 1992 Skelcher spoke of a *'service revolution'* in local government and a *'strong momentum to put customers first'*.<sup>23</sup>

In combination these arguments influenced individual councils like Wrekin to attempt to develop an organisational culture 'based on a genuine customer orientation' and fuelled an emerging interest in the use of adapted versions of traditional private sector market research techniques to gauge the views of their service users (Wrekin Council, 1990). The information gleaned from these initiatives led to the re-design of some services but, generally, the wide-ranging portfolio of services managed by most local authorities remained fragmented and lacking in integration.

A further key milestone was the publication of a series of papers by Parasuraman, Zeithaml and Berry (1985) which demonstrated how the separate elements involved in the service chain could be integrated into a conceptual framework. Their research highlighted the fact that service users tend to judge service quality by benchmarking them against their expectations - based on their previous experiences in using this or similar services. Their diagnostic questionnaire (SERVQUAL) was designed to allow service providers to gauge the extent of any 'gaps' between users' expectations and their perceptions of service quality and to help identify the factors that had contributed to these (Zeithaml, Parasuraman and Berry, 1990). In terms of this model, a quality service can be defined as one which *'...always meets and occasionally exceeds the users' expectations'*.

The challenges that this definition raises for local government service providers are two-fold:

- firstly, research suggests that service users tend to benchmark their perceptions of service quality against organisations they regard as *'best in class'* – irrespective of whether they are from the public, private or not-for-profit sector
- secondly, service users' expectations are inevitably a moving target and are usually continuously rising. As a result, a service level which delights users today is likely to be regarded as 'standard' tomorrow.

On the other hand, it also means that service providers can seek to improve their customer satisfaction *'scores'*, not only by enhancing aspects of the service delivery process but also by seeking to manage service users' perceptions – through marketing initiatives and by enhancing the customer care skills of the staff within the organisation.

This stream of research triggered a flurry of papers, books and self-help guides aimed at identifying the key factors which influence service users' perceptions and expectations in a wide variety of contexts. Many of these have tended to conclude that it is the *'softer'*, human elements of the *'service mix'*, rather than the *'material'* aspects of service provision which play a critical role in influencing these judgements.

The increasing recognition of this not only prompted a plethora of customer care and customer service training programmes and packages but also fuelled the growing interest by local authorities in the work of the Institute of Customer Service.

<sup>23</sup> Skelcher, See (1992), *Managing for Service Quality*, Longman and Local Government Management Board

Further impetus towards taking an holistic view of the drivers of service quality was given by the launch of EFQM's *Business Excellence Model* in 1991 and its subsequent development into the *Organisational Excellence Model* and the *European Quality Award*. To reinforce this in the UK, the British Quality Foundation was created in November 1992 to enhance the performance and effectiveness of all types of organisations in the UK through the promotion of Total Quality Management.

For local government, further significant policy drivers included the launch in 1994 of the Audit Commission's *Quality Counts* initiative which developed out of the *Citizens' Charter* initiative. This invited local councils to carry out customer surveys using a standard methodology and standard questions, together with others which each council wanted to add to address local issues (Audit Commission, 1994). The customer satisfaction measures developed here were subsequently incorporated into central government's performance assessment frameworks - such as *Best Value Reviews* and authority-wide *Comprehensive Performance Assessments*.

## Business process re-engineering

Clearly, initiatives aimed at training staff in customer care skills can only take organisations so far in improving service users' perceptions of service quality. What emerged clearly from this market research was that a key constraint was the way that many services were organised and delivered. In particular, systems appeared, in many instances, to focus inwards on organisational priorities, rather than outwards on the needs and expectations of customers and service users. The result was a lack of *'joined up services'* leading to a series of well-publicised service failures.

Increasing recognition of this problem fuelled greater interest in Business Process Re-engineering aimed at streamlining service provision and eliminating steps and procedures that did not add significant value and facilitating inter-agency working by sharing information (CCTA, 1994). In several authorities, this has involved the adoption of private sector practices of providing contact centres to rationalise the points of contact between service users and local authority services. The *'disruptive technology'* associated with the development of the internet is also being widely exploited - as it has already been in the private sector - as a means of developing streamlined supply chains, *'leaner'* processes and, ultimately, new business models (Christensen, 1995).

For local government, further impetus for the adoption of such *business process re-engineering* initiatives has been provided by the publication, in December 2006, of the Treasury-commissioned review of public service delivery by Sir David Varney. His report acknowledged the significant achievements made in the previous decade while, at the same time, highlighting the *"...major opportunities to strengthen public service delivery to make it more accessible, convenient and efficient to meet changing citizen and business expectations"* (Varney, 2006)...

In particular, the report argues that: *"There are opportunities to deliver better public services through joining up service provision across the public sector, and by engaging more directly with users in the design and delivery of services."*

The recommendations included: *"To establish service transformation as a top priority outcome for government, underpinned by a detailed delivery plan and quantitative performance indicators which form the basis of a published annual report on service transformation."*

## ...and the next 25 years... watch this space

Continuing developments in information technology, the debate on identity management and the growth of the third sector all have the potential to affect the direction of customer service in local government over the coming years.

## Transformational government

The Varney Review has set out an ambitious agenda for the public sector in terms of transforming and revolutionising contact with its citizens.

Varney calls for a 25% reduction in call centre costs over the period of the 2007 CSR (2007-11) together with improvements to the way enquiries are handled. It envisages that savings could come from resolving 80% of contacts being resolved at first contact; a 50% reduction in avoidable contact; making the web the primary access point for information and simple requests and requiring all sub-200 seat contact centres to share their service with others.

Reductions in costs for accommodation, a shift to cheaper and more effective channels of communication and a streamlining of business processes will make up much of this figure.

The review estimated that the average size of a public sector call centre was 123 FTEs and recommended that call centres should aim to work with a minimum of 200 staff. However, most of our case study authorities contact centres were smaller than this, with numbers lower than 100.

Transformational government is a key theme in the government's plans for CSR 2007-11. All central government departments have signed up to a service transformation agreement which will commit them to working on improving the customer experience for their users whilst streamlining and improving processes to support customer contact.

Plans include:

- piloting a new 'Tell Us Once' service that enables citizens to inform public services just once about changes of circumstances, starting with bereavement
- rationalising the plethora of government websites by closing down the majority and moving their citizen and business content to the Government's two single access websites, Directgov and Businesslink.gov.uk, thereby giving customers access to the information and services they need with greater speed and ease
- requiring all publicly-funded call-centres to undergo formal published accreditation to ensure faster and better services for citizens and businesses
- reducing avoidable or duplicated contacts with call centres and local offices
- empowering individuals to influence their services, with greater opportunities and direct involvement to influence the way they are designed and delivered; and
- improving management of information and identity across the government's delivery systems to reduce wasted time and inconvenience for citizens, businesses and frontline workers.

In addition, the Service Transformation Agreement commits all departments to specific plans for transforming the services they provide across all delivery channels, co-ordinating with other departments where relevant. Examples of the initiatives that are being developed include the Driver and Vehicle Licensing Agency (DVLA) and Department for Work and Pensions (DWP) working to merge the application processes for driving licences and National Insurance numbers; DWP, HM Revenue and Customs (HMRC) and some local councils developing a single transaction approach for working age benefits, housing benefit and tax credit; and HMRC and the Department for Environment Food and Rural Affairs (Defra) working to develop an International Trade Single Window to enable traders or their agents to submit all regulatory information required in a single message that can then be shared by the relevant government departments.<sup>24</sup>

A new performance indicator for service transformation in local government has been established which may form part of local authority commitments in local area agreements.

## Role of the third sector

It is clear that the role and influence of the third sector will continue to grow in local government. The third sector is becoming increasingly active in service delivery, especially in relation to vulnerable groups. In some cases it can claim to be closer to its client group and better at understanding and articulating their needs.

It is often more cost effective than the statutory sector and is beginning to be used by authorities as part of an information strategy that goes beyond the initial contact and signposting to a relationship with the client group giving not just information about how services might be accessed but also advice about best fit; encouragement to apply, or advocacy where necessary.

<sup>24</sup> 2007 Pre-Budget Report and Comprehensive Spending Review

Sensitive and intelligent use of this sector gives the listening local authority the ability to widen its reach – to parts of the community that might feel intimidated by a contact centre, telephone or web-based service; but also to spend more time where this is required by the recipient of services.

## Identity management

In 2002, a Citizen Information Project<sup>25</sup> established there were around 300 million contact details held by the public sector - almost five for every citizen. The Hampton Report<sup>26</sup> in 2005 raised concerns about businesses having to give out their information to the regulatory agencies more than once. The Varney Review advocates a joined up approach to identity management, with agencies able to securely share information about individuals and businesses so as to minimise delays and streamline contact from the citizen's point of view.

This builds on work of the Department of Constitutional Affairs which concluded that information sharing should take place to fight crime, protect the vulnerable, provide better public services and other instances when in the public interest.

At central government level, the service transformation agreement, signed up to by all government departments as part of CSR 2007-11, is making identity management a priority:

*"The types of transformation covered by this Agreement will simply not be possible unless the public sector can establish the identity of the customer it is dealing with simply and with certainty, and be able to pass relevant information between different parts of government. This is especially important for identifying vulnerable groups in society and assessing their needs and entitlement to support."*<sup>27</sup>

## Change of circumstances management

The Varney Review highlighted the problem for citizens needing to contact agencies in the public sector at particular stages in their life – birth, marriage, death, moving house, etc. It described the experience for the public as akin to 'joining up the public service island economy to meet their needs' and cited the case of a typical citizen needing to make 44 separate contacts to government over a period of 180 days following a bereavement due to a road traffic accident.

Most of our case study authorities were working on ways to smooth this path, particularly for those services within the local authority itself. For some, was in itself a learning experience with the need to understand the particular cultural customs and expectations in relation to these life events for particular ethnic groups. Tailored information packs, referrals and contact details have been developed to meet these requirements.

The Varney Review called for a feasibility study to pilot a change of circumstances service beginning with bereavement, birth and change of address by 2010.

The importance of work in this area is underlined by the service transformation agreement, which says in its introduction:

*"People are busier and their time is an increasingly precious commodity. They expect services that respond to their individual needs ("I've been made redundant") rather than to the needs of individual delivery agencies ("fill in Form D123"). And they expect to deal with government in ways and at times that are convenient for their personal circumstances, for example out of normal office hours and from home over the internet."*

<sup>25</sup> Better Sharing of Citizen Data across the public sector – Citizen Information Project, 2005

<sup>26</sup> Reducing Administrative Burdens: effective inspection and enforcement' Philip Hampton, March 2005

<sup>27</sup> Service Transformation Agreement, H M Treasury, October 2007

*“Yet carrying out a simple task – reporting a house move, notifying a change in circumstances – can involve being shuffled from office to office, phone line to phone line giving the same information again and again. And services that appear confusing and inaccessible may deter people from seeking them with the result that citizens are denied the help that the Government, in its policies, seeks to offer.”<sup>28</sup>*

The agreement calls for public services to make more use of the technique of ‘customer journey mapping’ and work on this is taking place in the Customer Insight Forum, part of the agreement’s delivery mechanism.

## 8. Key findings and challenges for the future

### Key findings

#### Local needs should drive customer service strategy

Our case study authorities were drawn from very diverse areas and, as one might expect, this diversity and local needs were a strong influence on the channel strategy each authority chose to employ. We were impressed at the way the conversation with each authority began with a discussion of the particular features of the local population and its settlement areas and how local people might best be engaged with.

These included a London borough with excellent rail links into its centre but very poor links across the borough as a whole, where it was said that life expectancy can vary by five to six years within five to six stops on the tube.

This authority, recognising the need to communicate with some of its poorer residents who would not normally come into the centre, was positioning a number of access points in centres relevant to their needs. At the same time, high levels of internet use meant they were able to move some of their services towards lower cost website provision.

Another case study authority was a rural county where 50% of the population lives in just 5% of its land mass. Channel strategies here included the provision of mobile council advice and information services to reach out to the region’s more remote areas.

A third case study area was a seaside town in one of the UK’s most deprived authorities. It has a high transient population leading to 50% turnover each year in local schools, a cash driven economy, a largely elderly resident population with an influx of young people at weekends. Here, the provision of a centrally located, large council information and advice centre (on a bus route), capable of dealing with cash transactions, was a popular means to access the council.

These authorities have discovered that understanding their area is not just a matter of designing local services and partnerships to meet local needs. It also has a profound impact on how the council communicates with its customers.

#### IT only part of the solution

The organisation-wide approach to customer service is often made possible by advancements in information technology. Many of our case study authorities were keen to point out they saw this as only part of the solution. Premium rate call numbers and automated customer handling systems are widely criticised as being user-unfriendly by members of the public and our authorities stressed the importance of trying to develop systems to be as human and responsive as possible.

Authorities are also being imaginative about how best to communicate with particular groups and are building in opportunities for face to face, advocacy, translation and other methods of communication as part of their overall strategy.

<sup>28</sup> Service Transformation Agreement, H M Treasury, p 12

## Leadership is critical

Excellent customer service in our case study authorities had not been arrived at by chance. Often it was the result of customer service being established and declared as a key corporate priority with strategies, staff and systems to support it. One authority described itself as *'plan heaven'*. Authority for driving through the customer service approach was either with the chief executive or with another manager at senior level. This was seen as absolutely fundamental to the success of this approach.

Measurement was key – and one advantage is that it is possible to set out what you want to achieve and create relevant performance indicators to support it. One authority, for example, demonstrated that the public now feels better informed about the council (an increase of 11% as measured by a MORI poll); another authority showed that resident satisfaction had increased from 55% to 85%.

All of our case study authorities had a strategy with very visible leadership and support from the chief executive and/or from a high profile champion with a seat at the senior managers' table.

In many of our case study authorities the corporate customer service drive was prompted by the arrival of a new chief executive or a challenging CPA report. Customer service is an ideal focus for improvement for a new chief executive. The plans, systems and targets that support it apply to all services across the authority and enable a new chief executive to establish leadership and raise the performance of all services.

For example, the leadership that has supported customer service improvements has helped South Tyneside Council move from fair to excellent in its CPA ratings, from being an authority with Ofsted intervention to one with *'highly satisfactory'* performance in its corporate governance, with *'impressive improvements'* being made in a *'short time'*. Measurable improvements have also been seen in social services and in staff morale.

## Customer feedback should inform service planning and delivery as well as communications strategies

Because of this corporate approach, in many of our case study authorities the feedback and intelligence from customers had a profound impact on service design and delivery mechanisms.

For example, South Tyneside Council aims to be the UK's number one in the top 10 priorities for customers. Each year it asks MORI to ask its residents which 10 things matter most to them.

Some of our case study authorities have employed innovative and sometimes 'low tech' ways of talking to residents:

*"We just put up a trestle table outside pubs, fish and chip shops, to ask people about local services. It's about taking consultation to the doorstep."*<sup>29</sup>

Public dissatisfaction can also be a driver for service planning. Service-driven councils want to understand the reasons for dissatisfaction and build solutions into its service planning. Those delivering the service and those complaining are fully engaged in this. Where negative comments are received, the public are encouraged to say how things could be better.

The Local Government Association in its 'Reputations'<sup>30</sup> campaign recognised the importance of just a few services to the way local authorities are regarded. Basing their campaign on research carried out by MORI, the campaign identified 12 core actions, which 'when delivered well, have a marked and positive impact on a council's reputation'.

<sup>29</sup> Chief executive, local authority

<sup>30</sup> Local Government Association, 'Reputations' Campaign, 2006

The core actions are:

- adopt a highly visible, strongly branded council cleaning operation
- ensure no gaps or overlap in council cleaning and maintenance contracts
- set up one phone number for the public to report local environmental problems
- deal with 'grot spots'
- cleaner, safer, greener
- remove abandoned vehicles within 24 hours
- win a Green Flag award for at least one park
- educate and enforce to protect the environment.

On communications:

- manage the media effectively to promote and defend the council
- provide an A-Z guide to council services
- publish a regular council magazine or newspaper to inform residents
- ensure the council brand is consistently linked to services
- communicate well with staff so they become advocates for the council.

## Not everyone agrees 'what good looks like'

It is the nature of the local authority that there will be differences of views about local service provision and resource allocation. Even where resources are available to spend and the evidence shows they will show an improvement in outcomes, local residents may not support the work. For example, public opinion in relation to road humps typically shows that half the population want them and the other half don't.

Equally, there are people who continue to complain to the council long after the point where it is possible to do anything to change their particular issue:

*"I've just received my 450th letter of complaint from the same person. The issue they're complaining about is not something I can do anything about. I can't solve their problem but I can make sure that the letter that goes out will have no edge – it will go out with the same warmth on this occasion as at the beginning."*<sup>31</sup>

In recognition of the fact that local authorities cannot give every citizen the services they would like, successful councils put a premium on reaching a better understanding of what different groups need and on the quality of communication with those who contact the council.

## Customer service – a new local government 'profession'?

Perhaps in recognition of the above, customer service is seen as a key weapon in driving change in local authorities.

Local authorities are recruiting people from the private sector; using techniques which originated in the private sector and are making greater use of opinion polls and customer contact data than they may have done in the past.

<sup>31</sup> Chief executive, local authority

Some of the staff we spoke to in case study authorities saw themselves as being in the vanguard of what might become known as a new local government 'profession'. Their skills were becoming increasingly recognised as valuable, not only in managing customer contact in relation to services, but also in the fields of communications and research to support policy development.

### ...which can create challenges for existing professionals...

However, this new relationship inevitably sets up tensions both in and outside the organisation. Not every librarian is pleased to hear that the public would like more populist books in their library, or road safety planner that half the population do not want to see road humps in their road. These tensions were reflected in our research where customer service staff frequently felt themselves in the front line as a target for internal resentments of this kind.

This new approach can mean that some elected members and professionals feel that their voices are being drowned out. There is still work to be done to educate existing staff about the importance of being seen to be doing a good job as well as knowing you have done a good job.

#### **Bristol: online citizens' panel**

In early 2005 the council launched an online citizens' panel under the banner '*askbristol.com*'. This has used tools such as discussion forums, surveys, deliberative polls and live chats to provide an interactive way of consulting a wide range of people with an interest in the city.

Askbristol members can discuss issues with experts before giving their final views in polls and surveys. The site is intended to give an informal and flexible approach as participants are encouraged to start their own topics within discussions and come up with ideas for future consultations. It was intended that Askbristol members will be creative in their responses – perhaps coming up with solutions the council hasn't thought of.

People register with Askbristol.com to discuss a range of issues ranging from parks and safety cameras to the council's vision and priorities.

Results from these debates have helped to shape the development strategy for the city centre, advise the pest control team about what actions were felt to be acceptable in dealing with gulls and raised issues for the cycling and walking team to consider.

Bristol also managed the local e-democracy National Project work on e-Panels with partners from Wolverhampton City Council and the Black Country Knowledge Society. In 2005 it won an award as the European City for e-democracy.

### **Challenges for the future**

Our research has found that customer service in local government is a thriving and fast moving area of service development. New skills, tools and techniques are being brought to bear and customer service staff are extending their influence away from solely front line contact into staff communications and service development.

In parallel, the context for local government is becoming more challenging with local authorities being asked to develop new roles as community leaders and to work in partnership with other local organisations. There is a move away from universal service provision, towards more experimental and tailored approaches to meet citizen needs. At the same time, the next five years are expected to see increasing budget constraints and calls to demonstrate value for money.

Many of our case study authority customer service teams have grown rapidly. Morale is high relative to the rest of the organisation and there is a high level of commitment. However, there was early evidence of people beginning to feel victims of their own success as demand for and pressure on their service continues to grow.

There are a number of particular challenges for customer service practitioners in local government:

## The challenge of managing demand

Improved customer handling techniques can increase the pressure on frontline services. In the past rationing took place by restricting the public's ability to get through to the service or by the service itself having such a low profile that no one actually used it. In this way, in a cash limited environment, professionals were able to offer a high level of service to very few people.

No one would suggest that councils go back to this approach but they have yet to find a way of widening access, managing expectations and appropriately targeting services so that the amount of provision can be accommodated within increasingly limited budgets.

## The challenge of mainstreaming

Customer service in our case study authorities was largely a corporate priority, with senior management support and with a cross-service application. We found a different culture among customer service staff to the rest of the authority; one that was about *'can do'*, championing the customer interest and a team approach.

In some authorities this began to create tensions between newly-created contact centres and the rest of the organisation. Customer service staff were described as *'evangelists'*. When asked what the biggest barrier to success was, the reply was sometimes *'the rest of the organisation'*.

While the initial contact with customers is a key driver for public satisfaction, it cannot deliver without the support of the rest of the organisation. Ultimately the test is whether the customer and citizen-centred approach is carried through from one end of service delivery and policy making, to another.

In many local authorities the challenge is now to drive this customer and citizen focus throughout the rest of the organisation.

## The efficiency challenge

The Varney Review's recommendation that public sector contact centres should aim to work with a minimum of 200 staff could prove to be challenging, particularly for some of the smaller local authorities. Most of our case study authorities were already operating with staff groups of less than 100.

Local authorities will increasingly find themselves under pressure to hone their asset management strategies and to carry out value for money work to release savings to support service development.

Even if savings can be made through streamlining processes and channel management, local government will not want to lose what some case study authorities perceived as their unique approach to dealing with customer contact. In most case study authorities there was a pride in not feeling under pressure to wrap up calls in a given time; in the amount of time given to staff training so that there is a genuine understanding of the service being discussed and therefore an ability to go *'off script'* where the situation demands it. Given the need for local government to deal with some of the most vulnerable people within their community, this is particularly key to service provision.

In local government too, while on paper it is sometimes easy to redesign processes, releasing the subsequent savings can remain problematic because of the need to offer suitable redeployment or face heavy redundancy costs.

All of the above will put a premium on the development of standards, training, and good support mechanisms. As pressures grow, it will be important for customer service professionals to feel part of a community where they are able to develop common solutions to some of these issues, to share good practice and where outstanding work can be recognised. As local government responds to the challenges of community leadership, reorganisation and financial pressures, customer service will continue to have an important role to play.

# Conclusion

Local government has been talking about customer service for the past 25 years and in that time its profile has been variable. However, it appears to be enjoying a renaissance as its relevance to a number of key central government agendas is beginning to be recognised. Information technology is making it easier for local authorities as a whole to look at the way they handle customer and citizen contacts. The value for money agenda is prompting services to look hard at how they carry out their work. Business process re-engineering techniques force services to concentrate on how their working practices appear to customers and to root out ways of reducing duplication, complexity and overlap.

Customers themselves are becoming more demanding, encouraged in part by central government announcements about entitlement and choice across the whole of the public sector and in part because they expect the same levels of service and responsiveness that they enjoy in the private sector. Councillor complaints and local government ombudsman caseloads are full of problems that need not have escalated had they been dealt with promptly in the first place.

The pressure on local authorities to improve in this area is likely to grow throughout the next CSR period. Government proposals are to focus on the transformational government agenda, both at central and local level. Councils will be urged to simplify and make more relevant access routes into services, making the maximum use of new technology and local partners.

Our case study authorities have demonstrated that there is a plethora of good and innovative practice in relation to customer service in local government. There is huge potential for cross sector learning, using organisations such as the ICS, LGA and others for information-sharing and debate.

The customer and citizen focused council is therefore likely to be one that:

- is driven by a thorough understanding of local needs and preferences
- puts users and citizens at the heart of its thinking on service development and delivery
- has a clear view of what it is able to deliver and communicates it well
- is capable of embracing new techniques and ways of working
- and finally, is open to change.

Our case study authorities have demonstrated a number of ways in which this is being achieved in local authorities across the UK. The challenge is to embed and extend this work across the whole of the public sector.

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# 10. Glossary

## Abbreviations

BPR – business process re-engineering

CPA – comprehensive performance assessment, carried out by the Audit Commission on local authorities

CRM – customer relationship management

CSR – Comprehensive Spending Review

ICS – Institute of Customer Service

PI – performance indicator

PSA – public sector agreement

SOCITIM – Society of Information Technology Management

UKCSI – UK Customer Satisfaction Index

# 11. Author biographies

## Katrina Ritters

Katrina Ritters is a senior research associate at the Local Government Centre, Warwick Business School. Prior to this Katrina was head of Library and Community Services for Warwickshire County Council. She was also Policy head of the council's Information Unit – with responsibility for managing the authority's press and public relations.

Katrina began her local government career working in consumer protection. More recently she has worked on consumer policy for and with the Trading Standards Institute, Department of Trade and Industry, National Consumer Council, and Office of Fair Trading.

## Howard Davis

Howard Davis is acting director of the Local Government Centre, Warwick Business School. He is involved in a variety of projects and advises on and evaluates the modernisation and improvement of local services both in the UK and in Europe.

He is currently leading an evaluation of community based pilots on services for older people and is looking at transport governance in English cities.

Howard is also a member of Warwick's core team undertaking an evaluation which aims to inform and evaluate the success of local authority procurement approaches.

## **John Mawson**

John Mawson is professor of local and regional governance at the Local Government Centre, Warwick Business School.

John has a multi-disciplinary professional and senior management background. He has worked in the regional report team at Strathclyde Regional Council and has held chairs in town and regional planning and public policy and management at the University of Dundee and Aston Business School.

During a seven year secondment from Birmingham University he was director of Economic Development at West Midlands County Council and joint chief executive of the West Midlands Enterprise Board Ltd.

## **Mike Tricker**

Mike Tricker is a senior lecturer in the finance, accounting and law group at Aston Business School and worked as part of the Warwick team on this project.

Mike has extensive experience in monitoring and evaluating the effectiveness of a wide range of public policy initiatives on inner city regeneration, small firms policy, rural economic and social development, and community-led regeneration and governance.

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