

BABERGH DISTRICT COUNCIL

FROM: Director of Corporate Services and
Head of Customer Services

REPORT NUMBER **H57**

TO: OVERVIEW AND SCRUTINY
(STEWARDSHIP)
OVERVIEW AND SCRUTINY
(COMMUNITY SERVICES)

DATE OF MEETING: 24 June 2008
1 July 2008

CUSTOMER SERVICE – OPPORTUNITIES FOR IMPROVEMENT

1. PURPOSE OF REPORT

- 1.1 At their meetings on 27 November and 4 December 2007 the Overview and Scrutiny Committees considered a progress report *Customer care and informal complaint handling* which had been requested by Members in response to findings from the General User Satisfaction Survey 2006/07. The survey findings revealed low levels of satisfaction with complaint handling (BV4). This report sets out a proposed approach to addressing the customer satisfaction issues raised by the survey.
- 1.2 The report also sets out the implications of National Indicator 14 which is designed to monitor the reduction in avoidable customer contacts with an authority. Babergh must ensure that effective processes are in place to collect the data as the statutory requirement to assess NI14 will take hold as of October 2008.
- 1.3 The action plan, attached as Appendix 1, sets out the measures, resources and timescales required to address the problems and issues identified. The action plan has implications for the organisation as a whole, including Members not just those staff working in the Customer Service Teams.

2. RECOMMENDATIONS

- 2.1 That the definition of a “complaint” as set out in paragraph 5.6 be approved for adoption as the standard for service monitoring purposes.

The Committee is able to resolve this matter.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no additional cost implications from this report. Existing budgets are sufficient to support the training and development needs identified in the action plan set out in Appendix 1.

4. RISK MANAGEMENT

This report is most closely linked with two of the Council’s Significant Business Risks;

- No. 6- Culture - No embedded ownership of the need to bring cultural change to a historically “good” council and;
- No. 9 - Management of major change programmes and projects.

Key risks are set out in the following table:

Risk Description	Likelihood	Seriousness or Impact	Mitigation Measures
The cultural change required within the organisation to ensure the issue is addressed may not be achieved.	Significant	Critical	Robust briefing and training programme for staff, contractors and Members.
Opportunities for service improvement may not be consistently recognised, recorded or managed effectively.	Significant	Marginal	Accessible and effective data capture system.
The Council does not provide effective and efficient services which meet residents needs and their expectations.	Low	Marginal	Effective monitoring and analysis of central database Effective performance management culture in place.
Opportunities for efficiency gains or cashable savings are not driven through.	Low	Marginal	Effective monitoring and analysis of central database
Customer expectations and the provision of value for money services may not coincide.	Significant	Marginal	Clear and well publicised service standards Good communication with residents and businesses.

5. **KEY INFORMATION**

- 5.1 The General User Satisfaction survey undertaken in 2006/07 revealed low levels of satisfaction around the way in which issues which residents felt to be a complaint had been handled by the Council. The Committee requested that action be taken to address this issue.

5.2 The comments made at the time of the survey have been analysed and from that the following definition of a “complaint” is proposed:

“Any service failure, direct or indirect expression of dissatisfaction or discontent that the Council could reasonably be expected to resolve or clarify – whether or not the issue has been specifically raised as a complaint by a resident of the district”

That, in effect, sets the standard against which any customer interaction will be measured, and any opportunity, or necessity, for service improvement will be identified.

5.3 Having identified the opportunity, however, an efficient methodology and mechanism is required to capture those opportunities, ensure that they are addressed and that increased customer satisfaction and efficiency occurs as a result. Full details are contained in Appendix 2.

5.4 A basic system based upon the completion of an e-form, accessible on the intranet (BEN) feeding into a central database, monitored by staff in the Customer Services Division, has been developed to meet that need.

5.5 The effective use of that database, however, is totally dependent on everybody within the Council’s organisational structure (eg staff and Members) and those directly associated with it (eg contractors, close partner organisations) recognising and recording a service improvement opportunity, whether that is as the result of a service failure, complaint or simply a perception from a particular interaction that a service can be improved.

5.6 The shift in culture required to achieve confidence and commitment in recording an ineffective interaction must not be underestimated. Both front and back office staff will be capturing information which may not reflect well on their service area or colleagues, alongside other pressures which may divert attention from capturing additional information. To gain full value from the database it is extremely important that the discipline of completing a return for any “complaint” is maintained.

5.7 The training element of the action plan will, therefore, require significant resource. Although training will commence in June, regular refreshment will be required to ensure that the identification of opportunities for service improvement becomes a natural and routine feature of day to day activity and that culture is embedded throughout the organisation.

5.8 Although that change has arisen initially, in this instance, through the 2006/07 survey results, it is in any event required in order to fulfil the Council’s obligations to supply data for National Performance Indicator 14 (NI14) – “Avoidable Contact” where data quality is also totally dependent on an assessment at the time of any customer interaction. More detailed information is provided later in this report.

Service standards and Performance Management

5.9 Having created a system to capture and manage information, attention should then move to managing public expectation. Although on the one hand perceived service failures or shortcomings may arise as the result of unrealistic customer expectations, equally they can also occur simply because it is not clear in the first instance what level of service can be expected.

5.10 In order to address this issue, the Council's service standards are being reviewed and updated. A report on the outcome will be considered by Strategy Committee at their meeting on 18th September. However, it should be noted that aspirational standards alone will not reduce the potential or incidence of complaints. Effective performance management will be required to ensure service standards are being met.

Avoidable Contacts and NI 14

5.11 From 1st April 2008 Best Value Performance Indicators (BVPIs) will be replaced by a new set of National Indicators (NI's). Included in the 198 measures currently being proposed is an indicator which is intended to capture "avoidable contact" – NI 14. The aim of the indicator is to monitor the proportion of customer contact that is of low or no value to the customer and to drive a reduction in the number of these types of contact. E.g the number of contacts that occur unnecessarily because the authority concerned has failed to deliver on a service as expected, or a letter or document issued is unclear, unnecessarily complex or uses professional jargon. As a result the customer is forced into an unnecessary or "avoidable contact".

5.12 A customer interaction in those circumstances is in effect a complaint. Consequently the database described in this report will also fulfil the Council's responsibility to have in place an effective process to underpin our assessment (data return) for this indicator. This will be a statutory requirement from October 2008.

5.13 As the telephone currently remains the most popular method of contacting Babergh (60% enquiries overall, but much higher for some services) the importance of communicating and reinforcing the streamlined set of Customer Service contact numbers is clear. However, NI 14 also applies to all other forms of contact including face-to-face, website and e-mail. CAST and Policy & Communications Teams will give further consideration to this and related communications issues.

5.14 Earlier papers relevant to this report are as follows:

G150 – Customer Care and Informal Complaint Handling

G83 – Best Value Performance Indicators: User Satisfaction Surveys 2006/07

6. APPENDICES

- (a) Appendix 1 – Action Plan
- (b) Appendix 2 – Proposed Approach (Full details)
- (c) Appendix 3 – Background research

7. BACKGROUND PAPERS REFERRED TO:

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IMPROVING THE MANAGEMENT OF INFORMAL COMPLAINTS – ACTION PLAN

Shading indicates completed tasks

Action	Description	Timescales	Resources	Lead Officer
01	Approve Babergh definition of what constitutes a complaint	O&S Committees <ul style="list-style-type: none"> ▪ 24 June 2008(S) ▪ 1 July 2008 (CS) 	Internal - staff time	Bob Southgate
02	Policy learning exchange with Swale Borough Council including visit to their customer contact centre	<ul style="list-style-type: none"> ▪ 23 January 2008 	Internal - staff time	Jonathan Seed
03	Develop procedure(s) for recording and collating informal complaints. <ul style="list-style-type: none"> ▪ Hadleigh office ▪ Visiting Officers ▪ Member reporting ▪ Remote service locations ▪ Contractors ▪ Voluntary Sector 	<ul style="list-style-type: none"> ▪ May/June 2008 	Internal - staff time	CAST Team
04	E-form to be designed and launched on BEN for <ul style="list-style-type: none"> ▪ Capturing the complaint ▪ Updating the database on resolution 	<ul style="list-style-type: none"> ▪ June 2008 	Internal - staff time	Bob Southgate
05	Central Complaint database to be set up	<ul style="list-style-type: none"> ▪ June2008 	Internal - staff time	Sean Fitzgibbon
06	Programme of training to ensure that the organisation and any service partners are confident to recognise and record any complaint that meets the definition and where appropriate are able to update the database. <ul style="list-style-type: none"> ▪ SMG Briefing ▪ Staff Briefings (Mixed groups of front and back office staff) ▪ Managers/Team Leaders ▪ Member workshop ▪ Sudbury Advice Centre ▪ Client Teams/Contractors(Where appropriate) ▪ Voluntary Sector partners 	<ul style="list-style-type: none"> ▪ 17th June 2008 ▪ June 2008 ▪ June 2008 ▪ To be agreed ▪ To be agreed ▪ To be agreed ▪ To be agreed 	External training provider ?	Bob Southgate/HR
07	Monitoring of central complaint database <ul style="list-style-type: none"> ▪ Outstanding issues ▪ Speed of resolution ▪ Issues by service area ▪ Issues by origin/source Outcomes included in quarterly monitoring reports to MT/O & S Committees as part of the commentary on LPI 80	<ul style="list-style-type: none"> ▪ Monthly reports 	Internal - staff time	Bob Southgate / Policy Team

Appendix 1

08	Monthly telephone survey of customers – cross reference to database for Q/A purposes.	<ul style="list-style-type: none"> ▪ Survey in place since November 2007 ▪ LPI 80 reported to MT / O&S Committees quarterly 	Internal - staff time	Dawn Williams Policy Team
09	National Performance Indicator N14 – “Avoidable contact” Review database to ensure reflects NPI definition (DCLG intending to issue further clarification during the summer)	<ul style="list-style-type: none"> ▪ August 2008 	Internal - staff time	Bob Southgate/ Policy Team
10	Follow-up to the 2006/07 General User Satisfaction survey as part of the new Place Survey, subject to clarification on the protocol to be adopted for the place survey.	Scheduled for Autumn 2008	Internal - staff time + postage costs.	Policy Team

Complaint handling - Proposed Approach

The **first step** in the proposed approach to addressing any customer dissatisfaction with complaint handling is to agree a definition of what constitutes a complaint. In doing this, we have taken into account the much wider interpretation of what constitutes a complaint held by our customers. In essence complaints or enquiries that lead to customer dissatisfaction can be broken down into three main categories:

- **Direct or indirect service failures:** Direct failures are occasions when customers were expecting a predetermined specific response or service which did not materialise (e.g. missed bin), whereas indirect service failures are more about perception that a problem or issue should not exist (e.g. the general presence of litter in a locality).
- **Communication failures:** Where the issue may not have been recognised as a complaint, or it has been recognised and action taken, but the process has been unwieldy and bureaucratic, with no feedback on progress or the outcome.
- **Unrealistic expectations:** Some residents may have too high an expectation of the level of service that can be provided, hold a fixed view which they will not be moved from or associate responsibilities to the Council which are not within its direct control.

Based on the information collated to date both through critical analysis of our systems and evidence from best practice authorities, it seems probable that the combination and interaction of these factors have contributed to Babergh's low score on BV4. The definition of what constitutes a complaint follows from this, namely:-

“Any service failure, direct or indirect expression of dissatisfaction or discontent that the Council could reasonably be expected to resolve or clarify – whether or not the issue has been specifically raised as a complaint by a resident of the district”

The **second step** to the approach is ensuring that across the authority we have in place a mechanism that captures all the relevant information on customer contacts. We are proposing that this information is collected through a standard customer handling e-form (available to all officers, front and back office, and Members via the intranet). Once completed with details of the customer's enquiry the relevant information will automatically be routed to multiple locations by e-mail and simultaneously captured in a central database.

We also recognise that removing the reason a resident needs to complain in the first place (i.e. providing a right first time service) is the most effective solution to improving satisfaction. Therefore, any information from the contact regarding a specific service request or service failure will simultaneously be routed to the relevant team/officer in order that action is taken to address the matter and reduce or eliminate future complaint levels. N.B This process will encompass complaints where resolution is achieved at the point of contact which, although resolved, still need to be captured for monitoring purposes.

The e-form and central complaints database would provide an effective means of recording complaints, tracking the speed and quality of resolution and are fundamental to the **third step** of our approach – monitoring and research. Monitoring is required to assess the volume and frequency of various types of complaint, ensuring trends in service quality and perceived delivery of service are identified. Research is required to identify what progress is being made.

Progress on improving satisfaction will be assessed through the monthly telephone survey of customers which has been in place since November 2007. For consistency, these surveys mirror the BVPI questionnaire. A local performance indicator based on the results from this new survey has also been incorporated into the authority's basket of Key Performance Indicators – these are monitored quarterly by Management Team and the Overview & Scrutiny Committees. A larger follow-up to the complaint handling results from the General User Satisfaction Survey 2006/07 may be possible through the new Place Survey which will be undertaken in Autumn 2008.

Complaint handling – Background research

- 1.1 The progress report *Customer care and informal complaint handling*, established the need to better understand the issue of handling customer enquiries and requests for service, as the way in which Babergh manages these, impacts upon the level of complaints. It does so, both in terms of achieving good levels of customer satisfaction and identifying opportunities (or a need) for service improvement. This can be evidenced by the BVPI User Satisfaction Survey findings which clearly indicate that there are many more survey respondents who perceive themselves as having made a ‘complaint’ to the council than have actually recorded a formal complaint. In other words, the way customers interpret ‘making a complaint’ is much wider than complaints triggering the formal procedure.
- 1.2 Analysis of the survey findings indicated that complaints related to a wide variety of issues. However, amongst those residents that were *dissatisfied* with the handling of their complaint the top three problem areas were refuse collection, planning issues and anti-social behaviour.
- 1.3 There is a clear pattern to Babergh’s results. Performance is low in both actual and relative terms and has effectively plateaued since 2003/4. In comparison a number of other district authorities with similar results in 2003/4 have made significant improvements. Table 1 ranks the highest performing district authorities in 2006/07 and shows the improvement in satisfaction since the previous survey. Authorities highlighted in bold are highest performing and most improved. Statistically significant changes are indicated with an (s). Babergh and St. Edmundsbury (the highest performing district in Suffolk) are included for reference.

TABLE 1

BV4 Score 2006/07 (%)	District Authority	BV4 Score 2003/4 (%)	Improvement in satisfaction (%)	Confidence Interval (+/-)	
				2003/04	2006/07
49	Bedford Borough Council	43	+6	5.0	5.4
48	Canterbury City Council	33	+15 (s)	4.4	4.3
	North Dorset District Council	26	+22 (s)	7.2	7.0
	Swale Borough Council	25	+23 (s)	5.8	4.9
46	New Forest District Council	39	+7	6.7	7.1
	Newark and Sherwood District Council	40	+6	6.4	7.2
	Stafford Borough Council	35	+11	5.8	6.9
45	Melton Borough Council	35	+10 (s)	4.2	4.4
	Wychavon District Council	43	+2	5.1	6.4
44	Castle Morpeth Borough Council	24	+20 (s)	6.2	5.3
	Congleton Borough Council	33	+11	5.6	6.8
	District of Easington	28	+16 (s)	5.5	6.2
	East Dorset District Council	33	+11	7.1	7.4
	Rushmoor Borough Council	35	+9	6.4	6.5
	St. Albans City & District Council	34	+10	5.8	6.1
43	Alnwick District Council	39	+4	7.3	6.7
40	<i>St Edmundsbury</i>	32	+8%	6.2	6.0
28	<i>Babergh</i>	27	+1%	5.0	6.0

1.4 Based on the results in Table 1, **four** of the highest performing districts who had also made *significant* improvements between 2003/4 and 2006/7 were contacted for discussion on best practice. Senior officers at three of the four case study authorities attributed – at least in part – their improvement to a switch-over to a centralised contact centre. However, critical analysis suggests that it may not be the change to a contact centre business model *per se* which accounts for the improvements, but the way these authorities' staff are now handling customer enquiries (e.g. through the use of a sophisticated contact management or CRM system). This focus is important in pinpointing areas for targeted improvement at Babergh. It should be noted that customer satisfaction levels have not been surveyed nationally since Babergh's CAST business model came into effect in April 2007 - any progress made since the switch over is, therefore, not reflected in the current BVPI data.

One of the four case study authorities was visited by the Head of Customer Services and the Policy Team during February. Swale District Council's customer service centre is regarded as a 'mini beacon' in the area and regularly shows round interested parties. Staff working in the centre log customer enquiries and monitor resolutions using a sophisticated CRM system that has been tailored to their authority's needs. The functionality of the system available to customer service centre (front office) staff is impressive and it was clear that staff were comfortable in using it¹. The maturity of the front office/back office arrangement was also evident with customer service team staff empowered to be proactive and deliver at the point of contact wherever possible. Swale also undertakes a 'mystery shopper' programme with neighbouring Canterbury City Council to test their systems from the customer perspective.