



Customers in the Driving Seat?

Evaluating customer service
in three executive agencies

By:

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Date:

January 2000



Public Services Productivity Panel

Acknowledgements

Andrew Foster would like to thank the study team who did much of the detailed work upon which this report is based; Vanessa Couchman, Damian Riley, Ruth Tennant, and Ian Waterston. Andrew Foster is also grateful to the chief executives of the three agencies who willingly participated in this project, and to all their staff. The assistance of central government departments, in particular the DETR, the Cabinet Office and the Treasury, has also been extremely helpful. Finally, members of the Public Services Productivity Panel made insightful and constructive comments during the drafting of this report.



Public Services Productivity Panel



Modernising
government

Foreword by the Chief Secretary to the Treasury

Successful public services lie at the heart of a successful economy and society. At their best they respond quickly to their customers, operate efficiently and set the highest standards of quality and probity. In practice there have been wide variations in quality and in some areas ineffectiveness and waste have been tolerated. *Modernising Government* – the drive to achieve better, more responsive government and public services – means raising all services to the standards of the best and recharging our public organisations with fresh vigour, incentives and ideas.

As part of its comprehensive plan for modernisation, the Government has recruited a team of top private sector managers to the Public Services Productivity Panel – with a remit to advise on improving efficiency and productivity. The focus on productivity is linked in particular to the Public Service Agreements (PSAs), now published for all government departments, which enable the Government to track performance, improve accountability, sharpen responsiveness and inform investment. The role of the Panel is to support departments in raising standards to achieve or out-perform their PSA targets, providing a source of practical ideas and new approaches.

Each member of the Panel is focusing on a different area, working with individual government departments and agencies to identify solutions that will increase productivity. In doing so, the Panel recognises that there is no monopoly of wisdom in the private sector about how to raise productivity. Instead, it is the blend of fresh ideas *and* learning from good practice in our public services that can provide the spur to improvement. The findings of each project will be published and the Government aims to draw together the overall lessons of the Panel's work during the first half of 2000.

This report has been prepared by Andrew Foster, Controller of the Audit Commission. *Modernising Government* is about delivering public services to meet the needs of citizens, not the concerns of service providers. The need for the public sector to sharpen its focus on customers is the central theme of this report. It contains a powerful set of recommendations for improvement for all executive agencies and government departments, based on good practice and areas for progress identified at three executive agencies, which have one of the largest customer interfaces in the public sector.

Our challenge now is to translate these findings into clear and meaningful public benefit. Expectations of all who use public services are rightly ambitious. By involving valuable private sector experience in our drive to modernise government, our promise is to match that ambition with excellence for the many, not the few.



Rt. Hon. Andrew Smith MP
Chief Secretary to the Treasury

Customers in the driving seat? Evaluating customer service in three DETR agencies

Executive agencies employ three-quarters of all central government staff, and are responsible for the lion's share of central government service delivery. The Driving Standards Agency (DSA), Driver and Vehicle Licensing Agency (DVLA), and the Highways Agency (HA) are key points of contact for the motoring public. All three agencies face major challenges...

- year-on-year increases in demand for their services – telephone enquiries to DVLA have gone up from 3 million to 7.5 million over the last four years
- the Government's Public Service Agreements require executive agencies to make year-on-year productivity gains – to ratchet up efficiency and effectiveness
- the Modernising Government agenda obliges all agencies to play their part in the drive for more responsive public services and information-age government

...and all three have made real progress in developing customer-focused services, which is reflected in external accreditation such as Charter Mark awards.

- a commitment to customer service is central to their business strategies
- considerable investment has been made in the development of websites and electronic transactions with customers
- good services are provided to customers with special needs
- clear complaints procedures are in place for when things go wrong

But there are areas for improvement.

- a mystery shopping exercise revealed that around half of callers to DVLA's drivers enquiry line took up to 3 attempts to get through, with some callers trying between 5 and 20 times to get connected
- the same exercise found that one-third of callers to HA enquiring about roadworks received inadequate information
- market research is not always clearly linked to strategic objectives
- an array of performance targets and indicators may leave customers confused about what standards of service they can expect

A wide range of good practice identified at the three agencies demonstrates that five key drivers will secure a strong customer focus at the point of service delivery.

- clear leadership by top management to demonstrate commitment to customer service
- robust business planning to join up corporate objectives with personal performance targets for staff
- tight links between central and regional agency offices to ensure that customer service policies are consistently applied nation-wide

- active staff involvement in service development to generate ownership of customer service policies
- good quality training, and regular review of staff development will maximise opportunities for continuous improvement of customer services

This executive briefing highlights the main findings of a recent review of customer services at these three agencies. Featuring case studies and good practice examples, the briefing raises issues that are at the core of the modernising agenda. It is essential reading for top managers within executive agencies, and policymakers across Whitehall.

Continuous improvement

The chief executives of the agencies who have participated in this research have all welcomed this review, and are committed to continuous improvement. The Permanent Secretary Richard Mottram, the three chief executives, and Andrew Foster are dedicated to this objective. An action plan has been agreed, focused on the achievement of key objectives by the agencies and central government, by September 2000:

Action: DVLA

- The problem DVLA has had this year with its drivers enquiry lines being heavily engaged is being addressed, and the situation is improving. The target by year end is to reduce the proportion of the day when all lines are engaged, down to 10 per cent. By the middle of 2000, this will be further reduced to 4-5 per cent.

Action: HA

- The Highways Agency will identify and implement measures for improving the quality of information provided by the Agency's Information Line and Local Customer Information Lines, by July 2000. A mystery shopping exercise will be carried out in August 2000 with the aim of achieving the provision of accurate information to 80 per cent of callers.

Action: DSA

- DSA will be reviewing their customer satisfaction surveys to see if they can be better targeted.

Action: DSA, DVLA, and HA

- All three agencies are committed to extending their use of benchmarking against public and private sector organisations to stay abreast of best practice in customer service provision.

Action: DETR and central government departments

- Central Government is currently reviewing its targets for 2001-2004. A key element will be to clarify the range of targets established by central departments for their executive agencies, to ensure clear messages to customers about the standards of service they can expect.

Progress against all of these objectives will be publicly reported by September 2000. Through a process of dialogue between all partners and regular review, DSA, DVLA and HA are committed to learning from the findings of this report, to rise to the challenge of modern, responsive, customer-focused public services.

Putting customers first

1. Seventy-five per cent of central government staff are employed in executive agencies. With responsibility for the lion’s share of central government public service delivery, agencies are an important link between central government and the general public. They will play a major part in the Government’s aspiration ‘to deliver...public services to meet the needs of citizens, not the concerns of service providers’.¹ Many people come into contact with the Driving Standards Agency (DSA), the Driver and Vehicle Licensing Agency (DVLA) and the Highways Agency (HA) in their everyday lives, whether they are sitting a driving test, applying for a licence, or enquiring about roadworks that may affect their journey (**Box A**). So the ability of these agencies to provide good quality services to customers is a key test of whether they can rise to the challenges of increased productivity, and meet the objectives of the *Modernising Government* agenda.

Box A Key agency characteristics

	Core function	Core activities	Core customers
Driving Standards Agency	To promote road safety	Administering driving tests Accreditation and monitoring of driving instructors	The driving public Driving test candidates Approved driving instructors
Driver and Vehicle Licensing Agency	To support law enforcement and road safety To collect taxation	Issuing vehicle licences Maintaining accurate vehicle and driver registration records Managing the collection of vehicle excise duty	The police, courts, and motor insurance industry The driving public
Highways Agency	To manage the motorway and trunk road network	Maintenance and improvement of the motorway and trunk road network	The driving public The general public

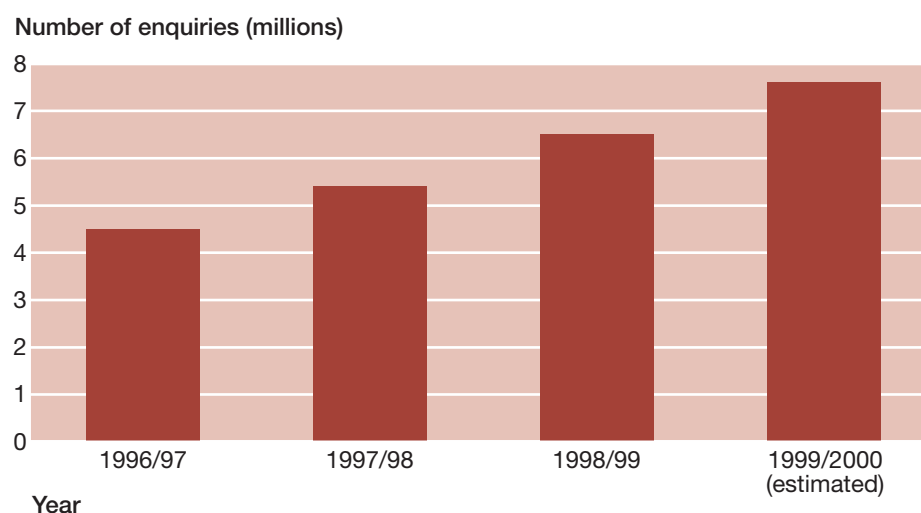
Source: DSA, DVLA and HA

2. All three agencies face significant challenges in delivering continuous service improvement and productivity gains. All three have faced significant increases in demand for their services over the last few years. The DVLA, for example, has experienced a steady increase in demand on its telephone enquiry line (**Exhibit 1**). The increased demands on them come from a number of sources, most importantly *policy changes*, *increasing public expectations*, and *new forms of communication*.

¹ Cabinet Office, *Modernising Government*, the Stationery Office, 1999.

Exhibit 1 Demands on DVLA's drivers line

There has been a steady increase in demand on DVLA's drivers line over recent years.



Source: DVLA Business Plans 1996-1999

3. Policy changes have had a major impact on public demand for agency services. For example, the introduction of the driving theory test in July 1996 led to a surge in demand on DSA for tests prior to this date from those wishing to take the old-style test. The introduction of new initiatives, such as Graduated Vehicle Excise Duty and photocard driving licences, has contributed to the swell in enquiries to DVLA in recent years.
4. Public expectations of agency services have increased as services have become more accountable and agency performance more transparent. Customers are now much less prepared to accept poor service. They are also influenced by consumer service initiatives in the private sector, which are often the result of competitors seeking market advantage. These initiatives, which include 24-hour telephone banking and supermarket shopping, have expanded customer choice by making services available at times that are convenient to them rather than to the service provider.
5. New forms of communication are rapidly expanding the means of getting in touch with agencies that are available to the public. In particular, the growth in the use of mobile telephones and email; DVLA currently receives about 6,500 emails per month. And new means of communication are supplementing the more traditional forms rather than supplanting them. So a customer might send an email that he/she subsequently follows up with a telephone call. Agencies need to consider the respective priorities and responses that they give to these different forms of contact.
6. All three agencies must deal with these increasing demands in a climate of finite resources. And improvements to customer service – extending enquiry line opening hours, for instance – can be expensive. In the private sector, responding to market research or customer complaints often involves considerable investment in products, services and systems. The goal is increased profits or, sometimes, simply survival. Those incentives are

often lacking in the public sector. But DSA is taking an innovative approach to funding improvements in its services (**Case Study 1**).

Case Study 1 DSA's approach to sponsorship

DSA has developed a number of services to contribute to its strategic policy of promoting “safe driving for life”. It has funded some of those services through sponsorship. For example:

- It has taken its “safe driving for life” message to schools, making 600 visits and reaching 30,000 pupils. The initiative was funded by sponsorship from Keymed, Capita, the Motorcycle Industry Association and the Stationery Office. It has been rated highly by independent British Institution of Traffic Education research.
- DSA has been focusing on reducing post-test casualties, as this remains the most critical time for accidents for new drivers. To improve this group’s awareness of road safety issues, the Agency has an arrangement with a publisher to produce a magazine called *Drive On*. This contains safe driving messages and other features, and is given to all successful L test candidates. The publication is entirely funded through advertising revenue and DSA has a profit-sharing arrangement with the publisher.
- DSA’s approach to sponsorship often leads to a revenue generating partnership. It has entered into a commercial agreement with Network UK, a private sector company, to instal new notice boards in the theory and practical test centres at no cost to the test fee-payer. One board is reserved for DSA, while the other carries paid advertising from organisations with a role in driving education. The advertising revenue that is generated is used to fund the installation, and any surplus will be divided equally between DSA and Network UK.

Source: DSA

7. This executive briefing evaluates the efforts that have been made by all three agencies to respond to the challenge of delivering more user-focused services. Section 1 – *Getting in Touch* – examines how easy it is for customers to contact the agencies and get the information that they need. It reports on a mystery shopping exercise carried out by the Consumers’ Association. Section 2 – *Getting the Message* – assesses how the three agencies use customer views and performance information in developing their approach to customer service. Section 3 – *Getting a Customer Focus* – identifies the means for all executive agencies to ensure that they are delivering genuinely user-focused services to the public. The report concludes with a checklist for action to help all executive agencies and their sponsor departments to put the principles of effective customer services into practice (**Box B**).

Box B

Principles of effective customer service

1. The organisation should have a strategic commitment to customer service, reflected in:
 - inclusion of this commitment in strategic and business plans;
 - setting, monitoring and reporting performance targets relating to customer service; and
 - a focus on customer service in staff induction and training.
2. Information about the organisation and its services should be available and accessible to its customers, including:
 - documentation such as codes of practice, annual reports, service guides and leaflets that are written in jargon-free language, and give names of staff to contact where appropriate;
 - an inquiry or information helpline, staffed at times that are convenient to customers' needs; and
 - appropriate formats/languages for people with special needs and from ethnic minorities.
3. Services should be accessible to all customers:
 - premises should be physically accessible;
 - premises and telephone helplines should be staffed at times convenient to customers; and
 - special access arrangements should be made for people with special needs.
4. Customers should be dealt with promptly and helpfully:
 - targets for response times to letters and telephone calls should be set and monitored;
 - performance appraisal systems should reflect customer service policies; and
 - enquiry lines should be monitored to assess responsiveness to customers.
5. Consultation with customers should form a key part of service planning and delivery, through:
 - user surveys; and
 - other appropriate forms of consultation (focus groups, citizens' juries, user groups).
6. The organisation should regularly assess customer satisfaction with services, through:
 - structured questionnaires;
 - mystery shopping exercises;
 - market research; and
 - monitoring information from complaints systems.
7. The organisation should have an effective complaints system that:
 - is accessible and straightforward for customers;
 - leads to speedy and fair resolution as close to the point of service delivery as possible;
 - contributes to improved service delivery; and
 - is regularly monitored and reviewed in order to improve the complaints system itself.

Source: Public Services Productivity Panel research

Getting in touch

- 8. Agencies should be as *accessible* as possible to all their customers and provide means of making contact that are tailored to their needs. Consideration should also be given to the *speed* and *accuracy* of information that agencies provide to customers once they get in touch.
- 9. One of the most common ways for people to contact the three agencies remains by phone, and there is considerable variation in the times that the agencies’ enquiry lines operate (**Box C**). An equally important consideration, is the ease with which people can get through when they attempt to make contact during those hours. All the agencies have targets – some prescribed centrally – for answering calls within a certain time, but they differ widely in aspiration:
 - DVLA’s Charter Standard states that 96 per cent of calls will be answered within 60 seconds. This seems a long time to wait and it may be that some customers disconnect before that time has elapsed. Agencies should use market research (see paragraph 17) to test how long people are prepared to wait for the call to be answered. In response to customer complaints about engaged lines, DSA introduced a target for 95 per cent of all incoming calls to connect to the electronic call handling system without receiving an engaged tone; and
 - DVLA has set its own target for 94 per cent of calls that are routed out of the automated system to be answered within 30 seconds, in line with standards revealed by call centre benchmarking exercises. DSA’s target is for 90 per cent of such calls to be answered by a human voice within 20 seconds.

Box C

Opening hours of the three agencies’ enquiry lines

Agency/no. of calls in current year	Opening hours	Other comments
DSA 2.2 million	8 am–6 pm Mon-Friday 8 am-4 pm Saturday	<ul style="list-style-type: none"> • Saturday opening introduced to meet increased demand following new test introduction. Will be kept open until customers’ views are researched
DVLA drivers line 7.6 million	8:15 a.m.-4:30 p.m. Mon-Fri Interactive Voice Response (IVR) system featuring pre-recorded information that is available 24 hours a day, every day.	<ul style="list-style-type: none"> • hours recently extended further in response to demand; • forthcoming market research will determine demand from customers for longer opening hours; • 33% of calls from the general public answered by recorded information via IVR system
HA 45,000	8 am-8 pm Mon-Fri 9 am-5 pm Sat-Sun	<ul style="list-style-type: none"> • 24-hour recorded information service • Operating hours extended when extra demand anticipated, with staff volunteering for out-of-hours shifts

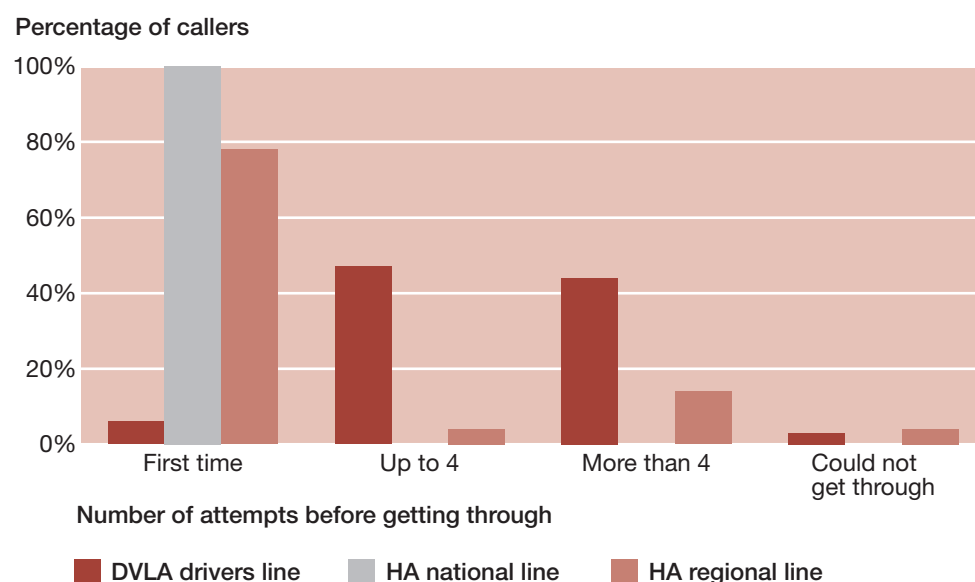
Source: DSA, DVLA and HA

10. The Consumers' Association tested DVLA drivers and HA enquiry lines with a 'mystery shopping' exercise (**Exhibit 2**).² Some difficulties were experienced in getting through to DVLA, particularly over the lunchtime period and after 4:00 p.m. This is, of course, precisely when demand from the working population will be highest. DVLA is taking action to respond more flexibly to peak demand levels during its opening hours. DVLA is also aware of the overall difficulties that have been caused by the surge in telephone enquiries in recent years and has been investigating the issue of engaged telephone lines with BT. Part of the problem lies with a lack of BT lines into the Swansea area: the DVLA's own monitoring suggests that people are unable to get through when the agency itself has operators free. To help deal with peaks in demand, DVLA is also exploring the possibility of contracting out part of its call centre operation to an external supplier at peak times.

Exhibit 2

Getting through to DVLA drivers and HA enquiry lines

Consumers Association fieldworkers experienced difficulties in getting through to DVLA.



Source: Consumers' Association research

11. All three agencies attach importance to their arrangements for customers with special needs. The research found some good examples of access that had been tailored for people with special needs (**Case Study 2, overleaf**).

² This involved a group of Consumers' Association fieldworkers phoning DVLA and HA at specified times, with specific enquiries over a number of days. The fieldworkers recorded information about how long it took them to speak to an operator, and how they were treated by operators.

Case Study 2 Access arrangements for customers with special needs

- All the agencies offer a Minicom service to customers who are hard of hearing;
- When tests are booked DSA automatically asks whether candidates have any special needs;
- DVLA carried out a disabled access audit at its main site in Swansea, which has led to a number of improvements. A similar audit for the 40 Vehicle Registration Offices around the country is in progress.
- An HA complaints leaflet is available in ten different languages. DVLA offers to answer correspondence in any language. DSA's theory test is currently available in eight different languages. This will be extended to 16 languages in January 2000, when the new IT-based test is introduced.

Source: DSA, DVLA and HA

12. Once customers have contacted an agency, they expect prompt services and accurate information. Rapid and convenient service has been achieved in the private sector through the increased use of electronic transactions, such as on-line banking. All executive agencies should be considering how they can increase their use of electronic transactions. The *Modernising Government* White Paper sets out the Prime Minister's commitment that, by 2002, the public should be able to conduct 25 per cent of all transactions with government electronically.³ DVLA has been using and experimenting with new technology to improve services to customers in this way (**Case Study 3**).

Case Study 3 DVLA's use of electronic transactions

DVLA has implemented or piloted a number of electronic transactions to deliver services more promptly to the customer. These include:

- electronic fleet relicensing, which allows operators of large fleets of vehicles to relicense their vehicles by electronic data interchange. Vehicle excise duty (VED) is collected by variable direct debit;
- automated first registration, which enables car manufacturers and dealers to register and license new vehicles at their premises and transmit the necessary data electronically to DVLA. This means that car buyers receive a faster service, dealers do not have to go to a DVLA office to carry out the transaction and the DVLA record is updated more quickly; and
- a pilot telephone re-licensing scheme that will run for three months and enable owners of Ford vehicles that are less than three years old, and which are insured with Norwich Union, to re-license by telephone, paying their VED by credit or debit card. If external insurance and MoT databases can be set up, DVLA will make the system more generally available.

Source: DVLA

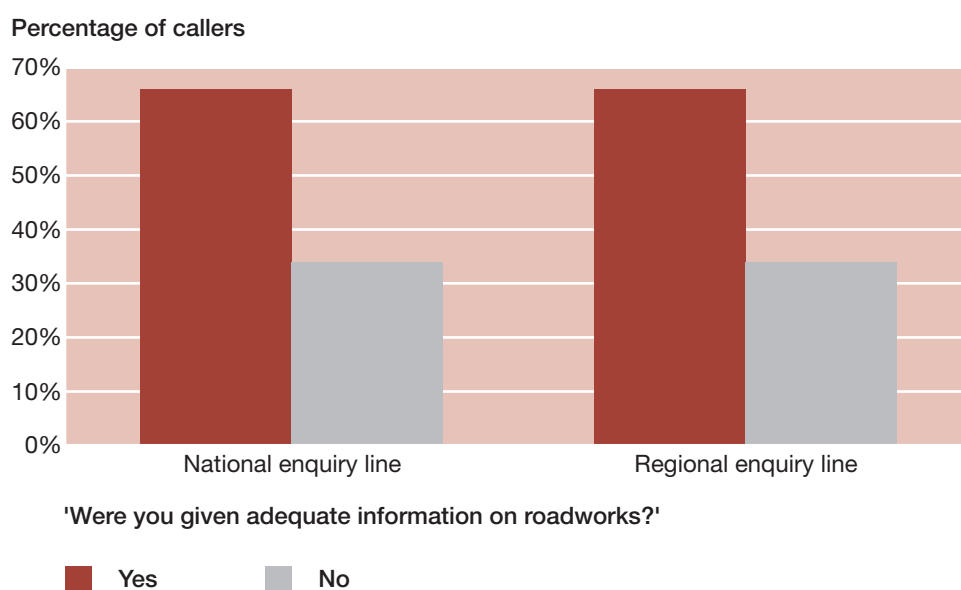
³ Cabinet Office, *Modernising Government*, the Stationery Office, 1999.

13. Getting accurate information is also important to customers. For DVLA, the information recorded on documents held by customers must be correct, and the driver and vehicles registers must also be as accurate as possible for law enforcement purposes. DVLA has three Secretary of State targets for document accuracy. There are no accuracy targets included in the agency's Charter Standards, which are aimed specifically at the public. Overall, DVLA was rated highly by Consumers' Association fieldworkers for the comprehensiveness and consistency of its information – in particular, which forms customers needed to obtain, the cost and the expected turnaround time of the transaction. Fieldworkers found DVLA operators to be helpful and courteous in the majority of contacts that they had with them.
14. The Consumer's Association mystery shopping exercise revealed that HA's HAIL enquiry line has room for improvement in the adequacy of information provided (**Exhibit 3**). Fieldworkers reported that they received inadequate information on known sets of road works in one third of cases, from both national and regional offices. The Highways Agency is developing a Traffic Control Centre project, which should enable it to provide road users with high quality road network information.

Exhibit 3

Getting adequate information from HA's enquiry line

Consumers' Association fieldworkers did not always receive adequate information about roadworks.



Source: Consumers' Association research

15. Mystery shopping can be a powerful way for executive agencies and departments to get a 'user's eye view' of the quality of the services that they provide (**Case Study 4, overleaf**). All agencies and departments should consider the use of mystery shopping techniques as part of a comprehensive market research strategy.

Case Study 4 Using mystery shopping to improve customer services in the Employment Service

Mystery shopping was introduced nationally into the Employment Service (ES) in 1997. The aim of the programme is to measure ES performance against the standards laid out in the Jobseeker's Charter and against the ES objective of providing a courteous and professional service to all jobseekers. The programme assesses all of ES's 997 Jobcentres four times each year, and has four core components:

- a personal visit by a mystery shopper;
- a visit by a trained assessor to check the accuracy of vacancies displayed;
- a series of telephone calls by trained fieldworkers; and
- a written enquiry submitted by a member of the assessment team.

These components are taken into account in assessing the quality of service provided to customers in each Jobcentre. The results also assist with the performance measurement of Jobcentres against the four Jobseeker's Charter Standards:

- seeing people without an appointment within 10 minutes;
- answering the telephone within 20 seconds;
- responding to letters in full within 10 days; and
- displaying up-to-date vacancies.

This programme has encouraged both managers and frontline staff to focus on delivering high quality customer services. Annual staff surveys suggest that staff now view customer service as key to their role, and feel that they are providing a better service to customers overall. Performance against Jobseeker's Charter Standards has shown year-on-year improvements nationwide.

Source: ES

Getting the message

16. Effective use of customer feedback and performance information is a key way for agencies to spot areas for improvement, and to identify what works in customer service provision. This research found good practice, but also some areas in which the agencies could improve their performance. The research focused on *market research*; *customer complaints*; and *performance targets and indicators*.

Market research

17. Each agency carries out periodic market research to obtain a picture of customers' experiences of services, to identify areas for improvement or new areas for development. The Consumers' Association looked at an early draft of DVLA's planned market research for the coming year, and DSA's approach (**Case Study 5, overleaf**). DVLA covers a comprehensive range of customer groups and issues in its research. But there are a number of problems with the research specification:
 - a large number of research objectives were set, which would need to be prioritised if customer opinion is effectively to influence business planning;
 - the research objectives were insufficiently focused to produce information that could be really useful in informing future service developments; and
 - the links between the research objectives and the agency's strategic objectives were not always clear.

Clearly, DVLA has a difficult job in striking a balance between the need to cover a diverse group of customers, and the need for a clearly-targeted market research strategy. It also has to respond to a number of central directives in designing its research specification. Nonetheless, this analysis suggests that DVLA should focus in depth on a more limited range of key areas that are clearly linked to the Agency's strategic objectives.

Case Study 5 DSA's approach to market research

Information from market research feeds into DSA's external communications panel, which is chaired by the Chief Executive. Significant issues are then considered by the board, which formulates a response.

Customer surveys were historically annual snapshots, but are now conducted on a monthly basis by a London research firm. Each month, 1 per cent of candidates are surveyed for their comments on the theory test and over 3,000 candidates are surveyed on their experience of the practical test. This enables DSA to respond more quickly to identified problems than on the basis of a yearly or quarterly survey. The Consumers' Association found that the way in which the surveys are carried out is effective, and elicits useful information that is acted upon. However:

- response rates might be improved by making the questionnaire less complicated and more focused more on core issues; and
- the response rate for those who fail (comprising around 50 per cent of the total) is only 4 per cent. For obvious reasons, this group is hard to engage, but DSA could review how it might approach this potentially useful source of information.

DSA also uses independently facilitated focus groups to test opinions on the current level of service and other initiatives that the Agency is planning.

Source: DSA

Customer complaints

18. A good complaints system has two core functions. It should lead to speedy resolution, to the satisfaction of all parties, wherever possible. But complaints are also a vital source of information that can contribute to improved service delivery. Many organisations carry out the first of those functions reasonably effectively, but neglect to focus on the second. They record complaints received, but do not analyse them and feed that information into service improvements. However, complaints analysis can yield valuable lessons – as one of the agency chief executives said during this review, complaints are “the gold dust of an organisation” (**Box D**).

Box D

Analysing customer complaints

To make effective use of complaints information:

- the definition of a complaint should be as wide as is feasible;
- information about complaints should be captured and recorded, in whatever form they are made;
- the information should be analysed and tracked over time to identify any recurring or emerging problems; and
- the analysis should be used to contribute to service development and improvement.

Source: Public Services Productivity Panel research

19. The number of complaints received by the agencies is low: for example, in 1998/99, out of 80 million customer transactions, DVLA received 1,816 formal letters of complaint. The rigour of DVLA's complaints procedure is regularly assessed by market research, and has been singled out for praise by its independent complaints mediator. In 1998, DSA received 5,311 complaints from a customer base of nearly 2.4 million. But interpreting comparative complaints figures is made difficult because of differences in the definition of a complaint – ranging from a formal letter to any expression of dissatisfaction, however it is made. The more rigid the definition of a complaint, the more negatively they are likely to be perceived by an organisation, and a potentially valuable source of feedback can remain untapped.
20. HA's new complaints system enables the Agency to analyse complaints where they were previously simply recording them. HA regards any expression of dissatisfaction, including constructive criticism, as a complaint. Half-yearly reports, which are considered by the management board, analyse issues that generate the most complaints and lead to action to improve the service to road-users (**Case Study 6**).

Case Study 6 Service improvements generated by complaints analysis

DSA's new telephone booking system, combined with the introduction of the new driving test, caused a sharp rise in the number of customer complaints in early 1999. It also generated complaints to the Chartermark Office. DSA set up extra call centres and introduced Saturday working/overtime, which has led to a return to previous levels of performance over recent months.

DSA's monthly customer tracking system, allied to an increase in complaints, indicated that customers were experiencing problems with producing the required photographic identification at driving and theory tests. The Customer Service Unit pressed for amended regulations that increased the range of acceptable identification, and all letters to candidates were subsequently changed.

Road works are normally scheduled to avoid major sporting events, but some end-of-season football matches are scheduled at short notice, and HA received complaints about road works clashing with matches. HA talked to football clubs to make sure that they notify contractors of extra games, so that road works can be delayed. Road signs have also been adjusted or relocated in response to particular complaints.

Source: DSA and HA

Performance targets and indicators

21. At their best, published customer service targets combined with a system of performance review, enable organisations to:
- track whether corporate objectives are being achieved;
 - make themselves accountable to their customers and stakeholders;
 - target resources on those areas in need of improvement; and
 - foster a culture of continuous improvement.

22. All three agencies use a basket of customer service indicators to track performance. These vary considerably between agencies, reflecting their different functions and corporate objectives, but usually cover issues such as speed of response and waiting times for services.
23. We found that the various sets of indicators are often complex, sometimes confusing, and are reported in different places. There may therefore be scope for central government to rationalise the framework of performance targets so that they are simpler and more consistent. For example, DSA lists Secretary of State Targets, Advisory Board Performance Indicators and Customer Service Targets; DVLA lists Secretary of State Key Targets, Charter Standards and Whitehall Standards.
24. More importantly, individual targets do not always coincide exactly and, in some cases, the level of performance required by different central government departments varies. DVLA's Secretary of State target for issuing a driving licence, for instance, is 9, 10 or 11 days (depending on the type of licence), but its Charter Standard is 3 weeks. Furthermore, published targets do not always fully reflect the agency's key aims and customers. The only law enforcement target on which DVLA is measured is vehicle excise duty enforcement, and yet its contribution to reducing vehicle-related crime is one of the Agency's primary aims.
25. Published service standards that are aimed directly at service-users are a good way of clarifying what levels of service people can expect and how the organisation has performed in the past. For this purpose, they need to be accessible and clear. DVLA and DSA have been awarded the Charter Mark – DVLA's was recently renewed – for the provision of a high quality of service to users.
26. But agencies' targets did not always meet the tests of accessibility and clarity. DVLA's Customer Service Guide lists its Charter Standards, but does not set out where performance against them can be found. And, although accuracy is important to customers, this is not reflected in the Charter Standards. DVLA intends to use its forthcoming round of market research to determine whether its Charter Standards should be changed.
27. HA has a complex set of quite technical published performance targets, which are listed in its Road Users Charter. It has carried out market research to determine how the public respond to the leaflet, and has recently produced a shorter version which is more focused. Its research shows that clear targets are important to its customers, and so it plans to revise the document again to make the targets more directly relevant to customer concerns.
28. A key function of performance targets is to provide information that will inform the development or improvement of services. Targets can cover costs, outputs and outcomes. Getting the right mix of targets depends upon the audience that they are aimed at. While costs and output targets can yield valuable information for managers about the efficiency of their organisation's processes, customers are more likely to be concerned about the outcomes of an organisation's activities that affect them. But as outcome measures are notoriously hard to develop, and outcomes can also be the result of several agencies' contributions, most of the agencies' targets reflect both inputs and outputs.

29. However, it is possible to develop proxies for outcomes: one of those is to measure customer satisfaction with the service. All the agencies measure customer satisfaction through market research, and DVLA includes them in its Charter Standards (but not in its Secretary of State Key Targets). DSA has recently introduced targets for customer satisfaction in its Secretary of State Key Targets, Advisory Board Performance Indicators and Customer Service Targets. Following customer complaints about engaged telephone lines, DSA introduced a target for access to the call-handling system.
30. Performance targets should reflect customer concerns, but should also have 'buy in' from operational staff where possible. We found some staff hostility towards customer service targets and performance review, especially where they felt that they had not been consulted on what should be defined as a reasonable measure. DSA staff felt that more staff input into the development of targets and standards, perhaps through internal focus groups, would be worthwhile.
31. One of the drawbacks of published charter standards is that they can often appear inflexible and get out of date quickly. Targets should therefore be reviewed regularly in the light of performance and changing customer expectations. DSA regularly amends or improves its customer service targets. They are set out in its *Business Plan 1999-2000* under the headings 'New', 'Improved' and 'Ongoing'.

Getting a customer focus

32. This research suggests that although all three agencies put customers first within their business strategies, the extent to which this is reflected in service delivery is variable. Customers' ability to get prompt, accurate information varies across the agencies. The agencies could do more to use market research and complaints systems to improve their services. And an array of performance targets, which may confuse customers, should be rationalised by central government. However, good practice identified at the three agencies reveals five areas that all executive agencies can build on, to ensure that commitments to customers are reflected in service delivery:
- leadership by top management;
 - robust business planning processes;
 - tight links between national and regional offices;
 - staff feedback and involvement; and
 - staff training.
33. The role of top management and, in particular, the leadership of the chief executive, is a key factor underpinning a positive approach to customer service. The more that top management are seen by staff to have a personal commitment to customer service, the stronger the customer service ethic throughout the organisation will be. This involves not only ensuring that the right processes are in place to put the customer centre stage, but also "walking the shop floor" and talking to staff and customers.
34. DSA's External Communications Division, and its Customer Service Unit, reports directly to the chief executive, who chairs the monthly external communications meeting. He will also intervene personally to deal with a customer complaint, where all other means within the Agency have been explored. Staff felt that this was an effective way of supporting them while also demonstrating commitment to customer service from the top of the organisation.
35. Each agency sets out its commitments to customer service in its business plan. In addition HA is developing a specific customer service strategy (**Case Study 7**). The acid test is how effectively those commitments are cascaded to staff through individual objectives and personal development. DVLA has established an incentive pay scheme for staff in its vehicle registration operation, in which speed and accuracy of data input are essential. While HA feeds corporate objectives into divisional business plans and through into personal development plans for staff, which address both individual objectives and training needs.

Case Study 7 HA's overall approach to customer service

As part of its response to Modernising Government, HA's business plan identified 'developing a specific customer service strategy' as a key priority. The strategy is being developed by the agency's customer services division, part of the Network and Customer Services Directorate. Consultation has been undertaken with 17 external groups (including the Association of Chief Police Officers, the Local Government Association, Transport 2000, Disabled Drivers Association, and English Nature) as well as agency staff. There will be a customer service action plan, which will be rolled out across local divisions. The agency aims to:

- **Serve the public** – set targets and measure performance against the Whitehall standards; and
- **Serve the road user** – set targets in the Road Users' Charter, and measure and publish performance against them. The agency is currently consulting road users on developing more customer-focused targets.

Much of the recent restructuring of the agency has been in response to customer need. The move to network operator status (with 24 distinct operating areas) and greater use of area teams has helped develop closer links with local organisations, such as the police and local authorities.

Source: HA

36. In addition to corporate planning processes and incentive schemes, other mechanisms are needed to communicate the organisation's commitment to customer service. Customer service should be seen as the responsibility of everyone within an organisation and not purely the preserve of a customer service unit. However, such specialist units have an important role in promoting customer service commitments. For example, DSA has a customer service unit in each of its five regions, and at its out-sourced theory test operation. HA, on the other hand, has no specifically designated customer service staff in local offices, which may make it more difficult to spread customer service messages. And HA Information Line staff indicated that they are very dependent on agency staff providing them with information about road works and other road network issues.
37. Staff are involved to varying degrees in helping to determine approaches to customer service. For example, HA's new computerised complaints system allows staff to feed in suggestions for improvements. And DSA staff at all levels showed an impressive understanding of the Agency's core purpose: all agreed that it was about promoting safer driving rather than simply conducting test examinations. This is reinforced by regular staff briefings and roadshows. DSA provides quarterly 'cascade briefings' to update staff across its regional offices on challenges facing the Agency and internal policy developments. The effectiveness of these briefings is monitored by DSA's internal communications staff, and regular opportunities for staff feedback are provided.
38. But agencies need to guard against 'information overload': some frontline DSA staff thought that they received a raft of written information on customer service initiatives, to which they found it difficult to respond. And some felt that more direct staff input – for example, in focus groups about setting standards and targets – would be helpful. Analyses of staff feedback need to be fed into the development of agencies' internal communications

strategy if these issues are to be addressed. And staff opinion is a vital source of information to agencies that wish to continuously improve their approach to customer service.

39. Regular review of staff development needs is an important factor in encouraging a customer service ethos among staff. In DSA, driving examiners have been subject to a culture change that has sought to demonstrate the importance of seeing the candidate as a customer. This shift was reinforced by a training video entitled *Are you a dolphin or a dinosaur?* All new frontline DSA staff receive customer service training, and there is a two-week induction programme.

Good practice guidance for agencies and departments

40. This research found both examples of good practice in customer service during the course of this project, and areas where the agencies could take further action. The agencies are operating in a complex and demanding environment. The involvement of sponsoring departments in supporting them will be of considerable benefit in developing customer services (**Box E, overleaf**). Other parts of central government will also need to play their part. The Cabinet Office's proposal to introduce a 'consumer test' – a regular assessment of customer satisfaction with public services – is just one example of central government's commitment to sharpening the customer focus of modern public services.⁴ A checklist of good practice for departments across Whitehall and all executive agencies to improve their customer focus is set out below (**Box F, overleaf**).
41. There will also be a critical role for the Drivers, Vehicles and Operators (DVO) Group in driving forward improvements in customer services at DSA and DVLA.⁵ A DVO Strategy Board was set up earlier this year, to plan for the delivery of improved, modernised, and 'joined-up' motoring services across the Group as a whole. By working more closely together, the parts of government that operate in this field will be able to provide the citizen with a seamless service, as they undertake 'life episodes', such as 'learning to drive' and 'owning a car'. Through working in partnership, agencies and departments can rise to the challenges of increased productivity and continuous improvement in customer services.

⁴ Cabinet Office, *Modernising Government*, the Stationery Office, 1999.

⁵ DSA and DVLA are part of the DVO, which also includes other motoring agencies (the Vehicle Inspectorate and the Vehicle Certification Agency), together with the Traffic Area Network and relevant policy and finance directorates from DETR.

Box E**A commitment to continuous improvement**

The chief executives of the agencies who have participated in this research have all welcomed this review, and are committed to continuous improvement. The Permanent Secretary Richard Mottram, the three chief executives, and Andrew Foster are dedicated to this objective. An action plan has been agreed, focused on the achievement of key objectives by the agencies and central government, by September 2000:

Action: DVLA

- The problem DVLA has had this year with its drivers enquiry lines being heavily engaged is being addressed, and the situation is improving. The target by year-end is to reduce the proportion of the day when all lines are engaged down to 10 per cent. By the middle of 2000, this will be further reduced to 4-5 per cent.

Action: HA

- The Highways Agency will identify and implement measures for improving the quality of information provided by the Agency's Information Line and Local Customer Information Lines, by July 2000. A mystery shopping exercise will be carried out in August 2000 with the aim of achieving the provision of accurate information to 80 per cent of callers.

Action: DSA

- DSA will be reviewing their customer satisfaction surveys to see if they can be better targeted.

Action: DSA, DVLA, and HA

- All three agencies are committed to extending their use of benchmarking against public and private sector organisations to stay abreast of best practice in customer service provision.

Action: DETR and central government departments

- Central Government is currently reviewing its targets for 2001-2004. A key element will be to clarify the range of targets established by central departments for their executive agencies, to ensure clear messages to customers about the standards of service they can expect.

Progress against all of these objectives will be publicly reported by September 2000. Through a process of dialogue between all partners and regular review, DSA, DVLA and HA are committed to learning from the findings of this report, to rise to the challenge of modern, responsive, customer-focused public services.

Box F

Checklist for action

Recommendations for central government

1. In framework documents, encourage agencies to include a strategic commitment to customer service.
2. Establish mechanisms to spread good practice in customer service between agencies.
3. Carry out research on equity of public access – where appropriate – to agencies to inform their service development.
4. Rationalise the framework of performance targets and indicators for agencies, ensuring that they focus on key customers and strategic aims.

Recommendations for agencies

1. Involve staff in developing customer service policies and initiatives, especially in developing performance targets.
 2. Evaluate staff awareness of customer service objectives to inform training and development.
 3. Review ways of funding non-statutory customer service improvements – for example, through sponsorship.
 4. Review objectives of telephone enquiry lines and ensure that they are communicated to customers.
 5. Review opening hours of telephone enquiry lines to ensure that they are convenient to customers.
 6. Assess priorities and response times given to different forms of communication (including letters, fax, email, telephone).
 7. Implement a comprehensive market research strategy that incorporates mystery shopping, focuses on key customer service activities, and undertake it at intervals that enable shifts in opinion to be tracked effectively.
 8. Make websites available to customers for consultation as well as information, while ensuring that other consultation mechanisms are available for people without access to computers.
 9. Make more effective use of complaints analysis to inform service improvements.
 10. Focus customer service targets and indicators on the issues that matter to customers and report performance against them in places that are accessible to customers.
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As part of its comprehensive plan for modernisation, the Government has brought together a small team of senior managers and consultants, mainly from the private sector, to provide a new perspective on some of the difficult issues that public services face in their drive to improve performance.

Each member of the Public Services Productivity Panel is focusing on a different area of government, working with individual departments and agencies to identify solutions that will increase productivity. In doing so, the Panel recognises that there is no monopoly of wisdom in the private sector about how to raise productivity. Instead, the Panel hopes that its fresh perspective, coupled with learning from the good practice and innovation that is already widespread in the public sector, will lead to improvements.

This report by Andrew Foster, Controller of the Audit Commission, addresses one of the central themes of the Government's modernisation plan: the need for the public sector to sharpen its focus on customers. Based on both the good practice and areas for improvement found in three executive agencies, with one of the largest customer interfaces in the public sector, the report makes a number of practical recommendations for both central government departments and all executive agencies to improve their customer focus.

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