

Open Report on behalf of Executive Director for Environment and Economy

Report to:	Economic Scrutiny Committee
Date:	8 September 2015
Subject:	Measuring Customer Satisfaction

Summary:

This report presents various options for discussion on how the measurement of customer satisfaction information can be used to refine the services provided by the Council's economic development function.

Actions Required:

The Committee is asked to discuss and agree a way forward on how to implement future customer satisfaction measures.

1. Background

Introduction

One of the many roles of the Economic Scrutiny Committee is to review and scrutinise quarterly performance indicators, priority activities, customer satisfaction information, and any other available performance measures related to the service areas within the remit of the Committee.

At present, customer satisfaction information brought before the Committee is limited to the element of quarterly performance reporting where officers report on feedback that has been received into the department or the Customer Service Centre.

At the request of the Chairman of the Economic Scrutiny Committee, Councillor Tony Bridges, the department has been asked to prepare information for the Committee on who the customer actually is, and whether customer feedback is being used to shape services.

The following views are put forward by the department as a realistic reflection of current practices and how these can be adapted. Two diagrams (Appendices A and B) have been produced to help illustrate both current practices and what the department feels should be considered.

Current Customer Satisfaction Measures

The first diagram, 'Customer Satisfaction - What we have now' (Appendix A), is based on current documentation relating to the structure of Enterprise and its relationship through commissioning with other areas/departments of Lincolnshire County Council (LCC). Crucially it shows that there is no formal feedback loop from our direct service users (businesses and people engaged in programmes) in which to measure customer satisfaction.

At present we are reactive to customer satisfaction issues. That is that we respond to any issues arising and customer satisfaction is reported via positive or negative feedback (emails/letters/phone calls) received directly through the department or the Customer Service Centre.

Potential Customer Satisfaction Measures

The second diagram, 'Customer Satisfaction - What we should have' (Appendix B), presents a more detailed structure of our planned activities and their various outputs, outcomes, and wider impacts. Customer satisfaction elements are highlighted in blue text.

If we want to be proactive around customer satisfaction, and use the resulting information as a management tool to shape services/policy/strategy, then we would suggest the following as a minimum (in line with the diagram 'Customer Satisfaction - What we could have' document at Appendix B):

- Measure customer satisfaction levels for our various business support schemes and with the Investor Promotion and Advice Service. This mechanism should capture satisfaction levels of both successful and unsuccessful applicants/enquirers.
- Measure satisfaction levels within the training schemes delivered, both in terms of applicants (successful and unsuccessful), and businesses engaged in shaping the schemes.

If we wanted to expand on this then we could consider the following:

- Regular feedback from the Greater Lincolnshire Local Enterprise Partnership (GLLEP) on how LCC is performing in its accountable body and secretariat role, and other facilitative roles e.g. European Structural Investment Fund (ESIF) programme. This element could incorporate some of the 360 degree feedback processes that managers and partners do as part of their annual appraisal.
- As part of the development of our "hit list" of top and most important businesses (that members of staff will have contact with and the responsibility to liaison with), this could be expanded so as to try and assess the impact of our activity on them.

- An overall measure of business confidence in the economy worded in such a way that reflects LCC's role in the local economy, both in terms of stimulating it through interventions, and as major consumer and supplier of products/services (*though we may want to limit this as discussed further on in this report*).

Cost Benefit Analysis

The final question to consider in all this is 'What is the value to the department in ensuring high levels of customer satisfaction?', as there will be a cost to the department in collating this additional information.

A brief review of cost benefit analysis (CBA) of customer satisfaction tells us that, certainly for the private sector, the benefits of customer satisfaction far outweigh the costs. But how does this translate to the public sector?

Whilst admittedly not attempting to attach a monetary CBA figure to our activity in this area, we could instead take the view of 'What is the cost to Enterprise (and potentially LCC) of not knowing this information?'. The answer is potentially a lot if we (as a provider of services, and as an influencer) do not know the answer to a number of basic questions, such as:

1/ Have we made a difference to the businesses/individuals that we have supported?

2/ Was this difference positive? If not, why not?

3/ Was the business/individual satisfied in their contact with LCC Enterprise?

4/ What could we do differently to improve our "service/s"?

Areas of Influence

One of the challenges in doing this is disentangling Enterprise activities from the rest of LCC's activities. We may find that actually, and to a certain extent, this is impossible to do in the eyes of businesses/individuals as we are part of such a large and diverse organisation.

For example, our studies regularly identify that transport issues are important to businesses. Many of these businesses will be local and small, and if asked for their views on whether LCC (through the work of Enterprise) is doing a "good job" then understandably we would probably get some very negative views despite this being no direct fault of Enterprise.

Whilst these views are important to the organisation as a whole, we do need to limit customer satisfaction and performance reporting to areas that we have or can influence. As such, the key to getting the balance right will be in asking the right questions.

Customer Satisfaction and Feedback

In considering this issue of customer satisfaction we need to be careful to differentiate between customer satisfaction levels with services delivered direct, and customer feedback on issues impacting on local growth.

This report has generally dealt with capturing levels of customer satisfaction from those businesses/individuals we deal with direct, be that through a business support programme or an upskilling programme. It is our view that this is straightforward and simple to achieve, and should be a bare minimum in terms of customer satisfaction reporting.

We could take this a step further and try and capture customer satisfaction of our performance in influencing the local economy through our services. For example, when we support a business or an individual then we indirectly impact on the local economy, either through the supply chain, solving a skills gap for a business, or simply by just 'doing' and improving confidence levels across the economy. However, this effect is much less tangible than the first level of customer satisfaction, much more difficult to record and to assign our 'performance' in effecting the observed change.

Customer satisfaction starts to move into general feedback if we are considering capturing general business views on life in Lincolnshire. Our view is that the mechanisms already exist for this type of feedback in the form of the Lincolnshire Quarterly Economic Survey (QES), and the recent GLLEP Employer Survey (the results of which were presented at June's Committee meeting). Businesses can respond through these on a variety of matters (performance, barriers to growth, skills gaps etc.) and they prompt discussion and shape policy accordingly. However this is not to say that these mechanisms cannot be improved (particularly in terms of reach and frequency) and we would certainly welcome the Committee's input on this.

2. Conclusion

As part of striving for continuous improvement, the Enterprise service area can do more, and should be doing more, in terms of capturing customer satisfaction levels with its services that have direct contact with businesses and individuals.

This report has put forward a number of options on how this might be achieved and we ask the Committee for their views on these, and agreement on what will be taken forward.

3. Consultation

a) Policy Proofing Actions Required

n/a

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Customer Satisfaction - What we have now
Appendix B	Customer Satisfaction - What we could have
Appendix C	Customer Satisfaction information - Scrutiny Committees

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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