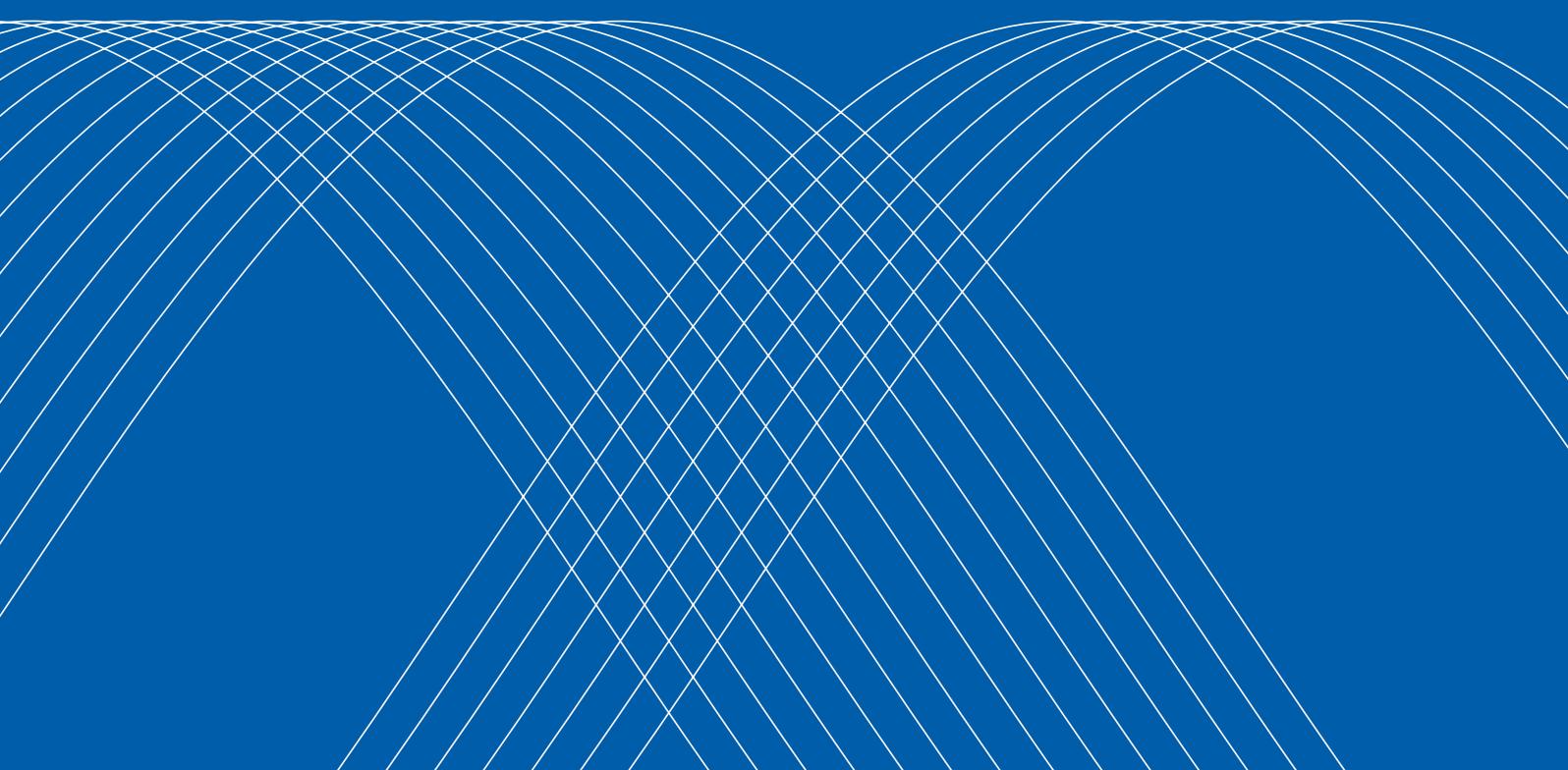




# The Customer Voice in Transforming Public Services

Independent Report from the  
Review of the Charter Mark  
Scheme and Measurement of  
Customer Satisfaction with  
Public Services

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## **EXECUTIVE SUMMARY**

### **Scope and Context for Review**

Driving up standards of public service while improving efficiency remains a key Government priority. There have been a number of initiatives over the years to sharpen the focus of public service providers on the needs of the citizen, and to improve the general satisfaction of the public with the services provided to them.

The Charter Mark scheme has been in existence for fourteen years and has aims consistent with these overall objectives. I was commissioned by John Hutton (when he was Chancellor of the Duchy of Lancaster) to review the effectiveness of the Charter Mark scheme, to make recommendations for its future, and to strengthen its role in improving public services. A parallel initiative was underway around the more effective measurement and use of customer satisfaction scores and customer insight in the design and delivery of public services, including the possibility of a public sector "Customer Satisfaction Index". This initiative seemed to me to be complimentary to the review of the Charter Mark, and John Hutton agreed with me that it should be added to the scope of my Review. There are other initiatives which are also in train which provide broader context for the Review. These include ongoing reforms of the Civil Service, efficiency improvements and development of shared services under the Gershon Review, and the work of the Cabinet Office Service Transformation Board.

Given this context I concluded that this review should focus not just on the Charter Mark, but more broadly on improvements in terms of outcomes, for citizens as users of public services. The essential challenge, to which I have sought to respond, is how to find ways to drive up standards of services to the public and how to measure the level of satisfaction they experience as customers for such services.

### **How the Review has been undertaken**

This review commenced in October 2005 and has taken six months to complete. Following a brief period of familiarisation I met with John Hutton to explain the scope and methodology to be followed in undertaking the review and to collect his views on the aspects which should be covered. I took the decision to form an Advisory Panel to assist me in collecting and analysing the evidence and coming up with robust, intellectually rigorous findings and recommendations. The membership of this panel is a mixture of senior staff from the public and private sector – whose contribution has been invaluable. A list of members is at Annex 1. In order to ensure the review was evidence based, we needed further support. This was provided by the Cabinet Office Charter Mark team; a Cabinet Office branding expert; and a Market Research contractor. A number of strands of research were undertaken. This included an analysis of third-party research, conducted during the past few years, on the effectiveness of the Charter Mark scheme and new research was undertaken into the increasingly crowded market place of award and recognition schemes, which could be either complimentary to Charter Mark or offer it varying degrees of competition. Market research was also undertaken

to collect the views of Charter Mark holders; those who have previously held the Charter Mark, as well as other organisations that have never been involved with the scheme. This was intended to establish the benefits derived from Charter Mark by a range of organisations; to ascertain why others had decided not to become or remain involved with it; and to seek views on possible changes. Additionally, a substantial number of one to one interviews were conducted with senior people in a range of different types of organisations to obtain their perception both on the role and effectiveness of the Charter Mark Scheme and its possible future, as well as on the more rigorous measurement of customer satisfaction and the concept of a Customer Satisfaction Index. Finally, focus groups were conducted with members of the public to obtain their views on quality marks and award schemes in general, and how they believed this might influence their attitude towards public services.

The findings of this research form the basis of the recommendations that my Advisory Panel colleagues and I have developed. Our recommendations were in turn used to inform a branding workshop which developed additional proposals. Finally, there was a Stakeholder Event at which many of those who had been interviewed, and additional organisations, were informed of emerging findings and asked to assist with settling some unresolved issues.

Ultimately, the findings from the Review are my sole responsibility, but to a very large extent they represent the views of the Advisory Panel and of many of the people that we met in course of the research. I have highlighted in the report those few areas where there was a less clear consensus.

This Report derives clear conclusions and makes recommendations on the way forward. It is now for Ministers and Cabinet Office Officials to decide whether, and how, to take these forward. The members of the Advisory Panel and I stand ready to support Ministers in tracking the implementation of the recommendations, and would be pleased to reconvene periodically over the next couple of years to analyse the success of the implementation programme and the outcomes.

### **What we have found**

The Charter Mark scheme is something of an unsung success story. Charter Mark holders are generally very positive about the scheme. They feel it is a valuable management tool in driving up standards and that it helps motivate members of staff. There is much anecdotal, but little hard evidence of the Charter Mark's effectiveness. The Charter Mark scheme continues to prosper, but percentage penetration of the whole public sector – and therefore overall impact – remains quite low. There is now a very low level of public awareness of the Charter Mark, and a general scepticism about quality schemes and awards was displayed by members of the public that we met in focus groups. However, on balance, people do believe that the holding of some form of quality scheme or award might influence choice where this applies.

It is to be noted that most public services do have performance standards and report to Parliament and the Public on how well they have met these. Most public service providers do also measure levels of customer satisfaction

however this is often not particularly rigorous. Comparisons even within sectors are difficult to make, with a few notable exceptions.

We have also recognised that there has been research in a number of countries on the fundamental drivers of customer satisfaction. Such research has been undertaken in the UK and generated consistent conclusions. In summary, the key drivers of customer satisfaction within public services are considered to be:

- Delivery of promised outcomes and handling problems effectively;
- Timeliness of service provision;
- Accurate and comprehensive information, and progress reports provided;
- Professionalism and competence of staff and treating customers fairly;
- Staff attitudes – friendly, polite and sympathetic to customers' needs.

## **Recommendations**

### **Refocusing the Charter Mark**

The Charter Mark scheme has become a hybrid of a quality improvement tool, an award scheme and a customer service standard. It is perceived as rigorous and comprehensive with appropriate external certification. We recommend that the Charter Mark should be repositioned. It should be a comprehensive diagnostic tool that helps public services to achieve continuous improvement and enables them to demonstrate outcomes via the measurement of customer satisfaction. The new Charter Mark scheme should also continue to deliver the benefits of staff recognition and celebration of achievement

We also recommend that the development of Charter Mark is totally aligned with the key drivers of customer satisfaction. Any existing Charter Mark criteria not already directly relevant to the drivers should be dropped. Further work should be undertaken - with some urgency - to validate the above five key drivers in the context of UK public services.

### **Rigorous Customer Satisfaction Measurement**

The re-defined Charter Mark should incorporate the introduction of a framework for more rigorous measurement of customer satisfaction with public services, which is built around the same set of validated drivers and hence the outcomes, which we know are important to the citizen. There should not be a central measurement of customer satisfaction; customer satisfaction surveys should be commissioned and owned by the organisations delivering the services to the public (whether in the public or private sector). Organisations should however be required to include certain core common questions and to comply with a survey framework and an approved robust methodology. This will enable benchmarking within sectors and provide a means to demonstrate the effectiveness of the new Charter Mark quality improvement tool. Care should be taken to limit strictly the numbers of core questions to avoid "survey fatigue".

## **The New Scheme**

We recommend that the combination of the redesigned diagnostic quality improvement tool and the application of new customer satisfaction measurement framework and methodology should form the new scheme to replace the existing Charter Mark with new branding (see below). The rejuvenated and re-branded Charter Mark could play an important role in the broader landscape of Service Transformation; redesign of public services to meet rising customer expectations; evolution of channel usage and access priorities.

We have considered whether there was a case for a purely “self-service” use of the diagnostic quality tool and survey methodology. We think that people should be encouraged to operate in this way. However, there is a strong case for external validation of the use of the quality tool, and of survey results by an accredited organisation. We conclude that this is what is needed for results to be credible and to provide an incentive for organisations to continue to improve. It is also what is needed if the customer satisfaction outcome measurements are to be relied upon by others.

Without compromising rigour, ways should be found to streamline the Charter Mark application process with more use of online tools, trained internal assessors and annual rolling certification. External assessors should be able to rely on self assessment statements plus their own risk-based sample checks and visits. Such arrangements should encourage growth of corporate schemes for larger organisations with multiple sites working to a common standard. The scheme should be redesigned to encourage a greater degree of benchmarking and sharing of best practice.

## **Relationship to Inspection and Regulation**

Another important question is the relationship between this service quality improvement tool with rigorous customer satisfaction measurement, and the existing regulatory inspection and audit regimes which exist across the public sector. For example, the Audit Commission (undertaking CPAs for Local Authorities), OFSTED (school inspections), Healthcare Commission (assessing Primary Care Trusts and Hospitals), HMIC (for the Police) and so on. While there was not a complete consensus within the panel, I have concluded that it would be highly desirable for inspectors and regulators to be able to rely on the redefined and still externally certified Charter Mark quality improvement tool and customer satisfaction survey results as part of their regimes. This would enable levels of inspection and regulation of the customer facing aspects of organisations to be reduced on a risk-profiled basis where the Charter Mark is held, thus relieving regulatory burden and improving efficiency.

## **Who Should be Eligible for Charter Mark?**

We considered whether the Charter Mark in its new form should be made available to both the public and private sectors and concluded that, while no organisation should be excluded from participating, the focus should clearly be on public service provision, regardless of whether this is delivered through the public or private sector or not-for-profit organisations. Outsourced service providers should be motivated to gain the Charter Mark to demonstrate their capability to deliver high quality public services.

## **Motivating Continuous Improvement**

We also considered how the new Charter Mark could be designed to incentivise continuous improvement and to deliver an element of recognition and celebration of achievement. We concluded that there should be levels for each of the criteria for the new scheme and awards made annually for the best and the most improved organisation per criterion, possibly per sector, and possibly at individual/team/organisation level. This would help to deliver the continuing benefit of staff motivation, to publicise success and to offer opportunities for recognition and celebration of achievement. There is known to be a strong correlation between high staff morale/motivation/job satisfaction and the delivery of high standards of customer service, and the new scheme should be designed to recognise and build on this linkage.

## **Branding the New Scheme**

We considered what the new scheme should be called; whether the Charter Mark brand and logo should be retained; how the new Charter Mark scheme could best be described; and what the brand values/unique selling proposition of the new scheme would be. We concluded that the new Charter Mark should be positioned as the only comprehensive scheme which focuses on improving public services and customer satisfaction using rigorous external validation. It could be sold as “the one scheme which helps you deliver customer service excellence”.

While it is a fine judgement, I recommend on balance that the name “Charter Mark” should be changed as part of the redesign and relaunch of the scheme. While the existing scheme has excellent brand loyalty amongst current holders, the name has some difficult associations with the past. The scheme will be significantly different and we should aim for much higher impact on the quality and transformation of public services through much higher rates of take-up. A new name would signal significant change, however care would need to be taken not to undermine confidence amongst existing holders and potential new Charter Mark applicants.

The visual logo and branding should be also changed to reflect a more modern image and to align with the “unique selling proposition” and value propositions summarised above.

## **Sponsorship and Operation of the Scheme**

The question of where the scheme should belong and who should own and deliver it is a complex one. Currently the Charter Mark scheme is “owned” by Government and led by a small team in the Cabinet Office, with all of the assessment being undertaken by private sector organisations who are separately accredited by UKAS. There is no central repository of knowledge or recommended methodology for customer satisfaction surveys, although some market research companies offer benchmarking. For the newly defined scheme we looked at possible options including:

- Locating it entirely in the public sector;
- Maintaining the lead in the public sector with outsourcing of delivery;
- Putting the leadership and delivery of the scheme in a NDPB or agency;
- Establishing a joint venture or transferring the entire scheme to a not-for-profit organisation or the private sector.

In our considerations we noted that, almost universally, Charter Mark holders strongly value the connection with Government and the endorsement they receive from Ministers. We believe this connection should not be broken and that the new scheme could be a valuable lever for Government to drive up standards as it seeks to measure performance of Departments and Agencies using a four element “dashboard”

- Objective Outcomes;
- Resources;
- Organisational Capacity;
- Customer Experience.

The new scheme could play a key role in the latter.

We therefore strongly recommend that there should be a central unit in the Cabinet Office or Prime Minister’s Delivery Unit to run the scheme; lead the marketing; spread best practice; and manage outsourced service providers in the private sector. Sponsorship of this activity could well sit with the Service Transformation Board or the Delivery Council, which is under consideration.

It seems to us that if this is to be an important means by which the Government could drive up customer service standards and focus, it cannot possibly be transferred in its entirety to a body outside the Government.

However, we also believe that the vast majority of activity could be undertaken by outsourced service providers. We would recommend that there should be a competitive selection of such providers, that they be granted three-year franchises, and that these are subject to regular re-competition. The outsourced providers would undertake the maintenance of the Charter Mark quality improvement tool; the definition of methodology and maintenance of the common questions to be employed in the new customer satisfaction measurement framework; and provision of benchmarking data. They would also be the provider of shared services, where those who wished to

commission customer satisfaction surveys could obtain these through an outsourced provider, rather than as an alternative on the open market. The outsourced providers would undertake the certification services analogous to those currently undertaken for the Charter Mark. They would also provide benchmarking services, as well as running award schemes and a variety of events to celebrate and recognise achievement. Marketing would be jointly undertaken by Government and the outsourced providers. We would recommend teaming up with a national newspaper in order to obtain publicity and recognition, for example through an annual supplement on the subject of excellence in public services. Sponsorship should be obtained for award schemes and events.

## **Conclusions**

This review has uncovered very significant potential to harness the evolution of the Charter Mark to improve the delivery and measurement of public service excellence. Building on the largely unsung success of the Charter Mark, we have recommended a number of steps which should lead to a very significant growth in penetration of the rejuvenated and rebranded Charter Mark, while retaining some of the excellent features of the current scheme. Through combining the evolution of the Charter Mark quality improvement tool with the more rigorous measurement of customer satisfaction and using a common framework, we are confident that there will be quantifiable and demonstrable improvements in the delivery of public services. A business case should be prepared to quantify this, to make the case for the necessary expenditure to rebrand, relaunch and operate the new scheme, and to set quantified criteria through which success can be measured.

## **SUMMARY OF KEY RECOMMENDATIONS**

1. The Charter Mark should be repositioned as a combination of the unique comprehensive diagnostic tool for public services, which enables organisations to achieve continuous improvement, and the demonstration of outcomes through the measurement of customer satisfaction.
2. The new Charter Mark should continue to deliver the benefits of staff recognition and celebration of achievement.
3. The new Charter Mark should be totally aligned with the five key drivers of customer satisfaction, subject to their validation in the context of public services in this country. The validation process should be completed within three months. Any existing Charter Mark criteria not relevant to these key drivers should be dropped.
4. The scheme should incorporate a framework for more rigorous measurement of customer satisfaction built around the same key drivers. Surveys should be commissioned and owned by organisations delivering public services, but with the requirement to include a minimum set of common core questions and to employ a robust methodology.
5. The combination of the redesigned diagnostic quality improvement tool and new customer satisfaction measurement framework should form a new scheme to replace the Charter Mark. This should be given a new name and branding to signal the scale of change and fresh direction. These should be developed in the next six weeks before the results of this Review are announced together with an implementation plan.
6. The rejuvenated Charter Mark should be positioned to play an important role in the broader landscape of Service Transformation and the reform of public services to meet rising and changing public expectations
7. The new Charter Mark should continue to be subject to rigorous external validation by accredited organisations so that results can be relied upon by others, but the processes should be streamlined with more reliance on organisations undertaking self-assessment. Certification should be undertaken on a rolling annual basis using risk-based sample checks and visits.
8. Having established basic and universal criteria for the new Charter Mark scheme (based on the five drivers of customer satisfaction), detailed criteria; specific guidance and case studies should be developed to match the needs of particular sectors.
9. Work should be taken forward (with endorsement by Ministers) by inspectors and regulators – for example in the health, education and local authority sectors – to find ways in which their inspections could place reliance (in part) on the new Charter Mark, with its emphasis on externally validated demonstration of outcomes. Where this can be achieved, those organisations which choose to acquire the new Charter Mark would benefit from improved efficiency through relief from regulatory burden.
10. The new Charter Mark scheme should be mainly targeted at organisations

which deliver public services, whether they are in the public, private or not-for-profit sectors. Outsourced private sector organisations should be encouraged to participate in the new scheme.

11. The new Charter Mark should be designed to act as a spur for continuous improvement. There should be levels which can be achieved for each criterion, as well as awards made per sector at individual/ team/organisational level at high profile events, which would celebrate and publicise achievement and success.
12. Given the important role the new Charter Mark could play in the ongoing transformation of public services, it cannot be totally outsourced. There should be a central unit in the Cabinet Office or Prime Minister's Delivery Unit to run the scheme, lead the increased marketing which will be needed, manage outsourced service providers and ensure there is maximum impact on improving standards of public services. Sponsorship of this unit could well sit with the Service Transformation Board (or the Delivery Council, which is under consideration).
13. The majority of the new scheme delivery should be undertaken by the private sector. There should be further work to define the scope of outsourced service provision, with potential for several providers to be granted a three-year franchise subject to regular re-competition. There may also be possibilities to enter into joint venture or collaborative arrangements with private sector organisations to deliver aspects of the scheme, and these should be explored.
14. Most of the costs of the scheme operation should continue to be carried by the organisations which seek and gain the new Charter Mark certification. Other income should be gained from sponsorship of award ceremonies, provision of surveys and benchmarking services and marketing activities, for example teaming with a national newspaper to produce an annual supplement on excellent public services.
15. Charter Mark holders have valued the endorsement they have received from Ministers and previous high profile Charter Mark award events. The new scheme should not lose these features or break this connection with Ministers. The scheme should be seen as a valuable lever for the Government to drive up standards as it seeks to measure and improve delivery of public services by Departments and Agencies, and Ministers should be seen to be actively engaged in this initiative.
16. Once the rebranding work has been completed, there should be a high profile launch event to announce the results of this Review and the implementation plan for the new scheme, setting out how this fits with the broader Service Transformation and public service improvement landscape.

# MAIN REPORT

## SECTION 1: INTRODUCTION

- 1.1 In September 2005, John Hutton, then Chancellor of the Duchy of Lancaster, asked me to undertake a review into the Charter Mark scheme with a view to developing a national customer service standard that could be used to play a proactive part in the modernisation and improved delivery of public services.
- 1.2 Ministers wished to see whether Charter Mark could be amended, updated and revitalised as a vehicle to drive up customer focussed improvement in public services, or whether other approaches could be used to deliver a national customer service standard. The objectives and agreed terms of reference for this review included, but were not restricted to:
- The content of the new standard to ensure that it is comparable with the very best benchmarks, including best practice in the private sector;
  - The marketing of the standard (including name, branding and promotion) to ensure that opportunities for positive, large scale impact on the Government's reform programme are maximised; and
  - The administration arrangements for the new scheme to ensure that the scheme operates efficiently and effectively, delivering value for money for those organisations that use it and for the public purse.
- 1.3 Ministers were rightly concerned that conclusions should be, as much as possible, evidence based, and we have conducted a number of research and analysis projects as part of this review.
- 1.4 I was also asked to consider the relationship between Charter Mark and the, then, proposed development of a Customer Satisfaction Index, or other robust methods for measuring and tracking satisfaction with public services. This has therefore formed part of the work that has been undertaken, and conclusions on this possible relationship are included in this report.

"To succeed in putting the consumer first, public services must embrace modern tools and techniques to measure, then increase, customer satisfaction"

**John Hutton**  
**Chancellor of the Duchy of Lancaster**  
**August 2005**

- 1.5 For the sake of clarity I have continued to refer to 'Charter Mark' when referring to a national customer service standard, although issues of positioning, branding and name are considered in this report. The question of the future of the '*Charter Mark*' name is specifically addressed in paragraphs **2.70 – 2.71**.
- 1.6 The main conclusions are set out in the Executive Summary. The main body of the report is divided into the following key sections:
- Section 2: Review findings;
  - Section 3: Methodology for the Review;
  - Section 4: Evolution of Charter Mark 1992-2006;
  - Section 5: Evidence Collected during the Review;
  - Section 6: References;
  - Section 7: Acknowledgements.

There are also a number of working papers which were prepared during the course of the Review and these are available for future reference, but do not form part of this Report.

## SECTION 2: REVIEW FINDINGS

### Is there a future for Charter Mark?

- 2.1 The Charter Mark scheme is well respected. Charter Mark holders are generally very positive about the scheme, which they find to represent a challenging, externally-certified standard. Past research has generally indicated that the Charter Mark does improve customer service and – more particularly – that it is a valuable tool for management to drive performance improvement, and for staff to gain motivation and recognition. Little robust evidence exists to demonstrate a causal link between Charter Mark and the quality of public services or the level of customer satisfaction. However, anecdotally there is an indication that such a link may exist and we concluded that, in the future, it would be essential to establish such a link and use robust measurement to demonstrate whether Charter Mark is effective.
- 2.2 The Charter Mark scheme has been operating now for fourteen years. It continues to prosper with a slowly increasing level of take-up, but percentage penetration of the whole public sector – and therefore an overall impact – remains quite low. There is now a low-level of public awareness of the Charter Mark, and a general scepticism about quality schemes and awards displayed by members of the public that we met in focus groups. However, on balance, people do believe that a service provider holding some form of quality mark or award might influence choice where this applies.
- 2.3 **We have concluded that, even if no changes were to be made to the Charter Mark scheme, it should be retained as we are confident it is doing a job of value to the holders, albeit largely unrecognised. However, we believe strongly that Charter Mark could be made far more effective so as to deliver considerable wider benefits in terms of improvement to public services.**
- 2.4 It is to be noted that most public services do have performance standards and report to Parliament and the public against these standards. Most public service providers do also measure levels of customer satisfaction, but this is not particularly rigorous in many cases and it is difficult to make comparisons even within sectors, with a few notable exceptions. We have concluded that, in assessing whether there should be a future for Charter Mark, the decision needs to be combined with conclusions concerning the introduction of more rigorous and validated measurement of customer satisfaction.
- 2.5 We note in passing that the influence of the UK Charter and Charter Mark activity has been significant with administrations around the world drawing on UK experience. Service Charters are now well embedded in public service delivery in a number of countries. For example, the Australian government has introduced Service Charters for departments and agencies dealing with the public. More recently, work has been done to assist governments in Malta, Mexico, Nigeria and Hungary who have seen the Charter Mark model as an important tool for public service reform. For example, in Hungary, a two-year project is underway to

embed customer focus and improve service delivery through the roll-out of a public administration Charter programme. This work has made use of consultancy by the Charter Mark team to develop their solution. Across Europe, a number of similar programmes have been adopted, for example the Charter of Quality in Portugal; Public Service Charter in Italy, Charter Marianne in France and the Public Service Users Charter in Belgium. As matters stand, the Charter Mark team in the Cabinet Office assists other countries free of charge.

### **Re-Focusing the Charter Mark**

- 2.6 Originally, Charter Mark was positioned as a competitive award scheme for the public sector. High profile award ceremonies were a key feature of the scheme and the Charter Mark became linked to the idea of a Citizens Charter and Charter standards. Much of this is now history, as is the People's Panel, which was established as a form of measurement of customer satisfaction across the public sector.
- 2.7 In 2002 the Cabinet Office undertook a full review of the Charter Mark scheme. The objectives were to strengthen its role as a tool for customer-focussed improvement, reflecting the Prime Minister's four principles of public service reform. There was also an intention to widen participation by encouraging greater take-up across all public services and reduce the cost of the scheme to Government. To meet these objectives, the Cabinet Office repositioned Charter Mark as a national standard for customer service excellence; a benchmark that all should aspire to, rather than a badge to be collected. The Charter Mark criteria were updated with a stronger emphasis on standards, choice, flexibility and devolution. New assessment arrangements were put in place offering choice and value for money for applicants on a full fee recovery basis. An electronic self-assessment tool was launched, free for use through the Charter Mark website ([www.chartermark.gov.uk](http://www.chartermark.gov.uk)), to encourage all public services to engage with the standard and benchmark their service delivery.
- 2.8 The Cabinet Office took an innovative approach in establishing the new assessment arrangements. Four certification bodies were chosen to conduct assessments. These were encouraged to compete so that applicants would be able to choose an organisation best matched to their needs and assessment costs would be kept low through market forces. These arrangements have worked well, but the fact remains that Charter Mark penetration remains very low. Existing Charter Mark holders are generally enthusiastic advocates, and new organisations continue to join the scheme, but the rate of increase in uptake is slow.
- 2.9 Some believe that, by seeking to achieve multiple objectives, Charter Mark has to some extent lost its way. There is need for greater clarity on what it is and what it is not. The Charter Mark could be seen as an award recognition scheme, a means to empower the citizens' demand for better public services, a quality improvement tool for management, a benchmarking scheme, and an externally recognised certification standard. To an extent, the scheme currently meets all of these

objectives, but this is also a weakness. We believe the purpose and objectives for the Charter Mark need to be simpler and clearer.

- 2.10 **We believe the Charter Mark should be repositioned as a combination of the unique diagnostic tool for public services, which enables organisations to achieve continuous improvement, together with the demonstration of outcomes through measurement of customer satisfaction. The new Charter Mark would enable organisations to improve delivery performance and increase customer satisfaction through the use of diagnostic tools and benchmarking. It should be positioned as the only comprehensive scheme focussed on improving public service and levels of customer satisfaction using rigorous external validation.** Emphasis should be placed on the end-to-end nature of the scheme, enabling all organisations to undertake analysis and diagnosis, benefit from benchmarking and measure outcomes in terms of end customer satisfaction. The strength of the refocused Charter Mark scheme would be the combination of a quality improvement tool and rigorous measurement of customer satisfaction, with external validation delivering the benefits of bench-marking, more effective sharing of best practice, and the proof to others that the Charter Mark has been independently assessed. Supporting this improvement tool there should be a toolkit including best practice guides on a range of topics matched to the new criteria.
- 2.11 The robust measurement of customer satisfaction, which should become an integral part of the new scheme, would be based on outcomes which we know are important to the citizen.
- 2.12 **We recommend that the criteria for the Charter Mark should be totally aligned with a rigorously designed approach for measuring the core elements of customer satisfaction including validated five drivers of customer satisfaction. The approach should include, in addition to the drivers of satisfaction, evidence of an approach to understanding the differing needs of specific groups in the community, and of the relationship between perceived importance and satisfaction. The precise nature of the requirements will need further development as part of the detailed design of the scheme. Any existing Charter Mark criteria not already directly relevant to these key drivers should be dropped.**
- 2.13 While remaining clearly differentiated as a customer service standard, the Charter Mark should seek to emulate the success of Investors in People and the EFQM Excellence Model. We note that the Excellence Model is seen as a particularly effective tool for achieving a balanced and comprehensive improvement agenda for management. It is important that the use of Charter Mark is attractive to management and staff. Re-orientation of the criteria as suggested as above, simplification of the assessment process, and reduction in cost while maintaining rigour, will need to be key features of the revised scheme.
- 2.14 It is notable that the Charter Mark scheme has maintained momentum and modest growth without significant marketing. The certification bodies have done well in getting some sixty corporate programmes together and

generally individual applications are now more substantial when measured in terms of numbers of employees affected. **Future marketing of the scheme will be about effective integration into the change programme of organisations and of Government as a whole, and the willingness of Ministers and senior officials across departments to look afresh and commit (through actions as well as words!) to promoting the revitalised Charter Mark in their own organisations and departments.**

- 2.15 To have a strong and more significant impact on standards of public services the new Charter Mark scheme needs to gain wider recognition, and grow, so as to have a more all-pervasive impact. It will remain particularly valuable for what are effectively monopoly service providers – although we recognise that this is changing for at least some parts of the public sector. It will continue to make up for lack of competition which is used in the private sector to spur staff on to levels of higher performance. It should be a valuable tool to help managers and front line staff with responsibility for public service delivery to improve the quality of the service to their customers.
- 2.16 We believe the new Charter Mark could be a very effective compliment to the setting of performance standards. Such standards are not, of their own, a particularly valuable tool for driving continuous improvement. They can often create perverse incentives with management focusing on achieving what are often centrally set targets. Such targets can be inflexible, and meanwhile the world (and in particular public expectations) can move on. In contrast, a more dynamic and energising quality improvement tool, which we envisage Charter Mark should become, can push management to think continuously about ways to improve their service delivery.
- 2.17 To motivate organisations to participate in the Charter Mark scheme, we also recommend that work should be undertaken to see whether the various regulatory regimes and inspections could rely on Charter Mark certification and thus relieve Charter Mark holders of additional burdens of regulation and inspection in relevant customer facing areas. This is addressed further in sections **2.45-2.50**.
- 2.18 We have recognised that the Government has certainly not lost focus on the importance of high quality public services to meet the needs of citizens. This agenda is being taken forward through the continued development of challenging public service standards and the transformational Government strategy including the new Service Transformation Board and the Delivery Council. Also, the above mentioned inspection and regulatory regimes have an increasingly strong focus on the customer dimension. **I should emphasise that it will always be essential for organisations to have a customer service metric as part of the core annual objectives by which the organisation is appraised. In establishing the appropriate organisational arrangements for the future of the new Charter Mark, there is a need to ensure that strong links are maintained between this public service improvement agenda, annual performance objectives and the future operation of the Charter Mark scheme. Ministers should make clear their support for – and commitment to**

**– the rejuvenated Charter Mark scheme and should return to active involvement in its promotion.**

- 2.19 We also note that Charter Mark has been particularly effective as a means of motivating, rewarding and recognising front line staff and their managers. This has been less of a focus in recent years, but needs to be restored as a strong feature of the scheme.
- 2.20 Finally, we believe that the fact that public awareness of Charter Mark is low is not, in itself, an issue. The public are aware of what good service looks and feels like, and they care about quality of service and outcomes. Even if the Charter Mark is not in itself recognised by the public, if its application leads to improvement in customer experience and levels of satisfaction, it will be doing its job.

### **Rigorous Measurement of Customer Satisfaction**

- 2.21 As indicated above, there is much anecdotal but little hard evidence that Charter Mark is effective in driving up levels of customer satisfaction. However, an independent analysis for Cabinet Office (using information provided by the Court Service) did demonstrate distinct differences in levels of customer satisfaction between those Courts which held the Charter Mark and those that did not.

#### **ORC Research - The Court Service**

The Cabinet Office commissioned an analysis from ORC International Ltd on the impact of using Charter Mark on measured customer satisfaction levels in the Court Service. ORC compared customer satisfaction levels in those Courts using Charter Mark against those that were not. Results show statistically significant differences in levels of satisfaction with those Courts using the Charter Mark having a 5% higher score and also higher levels of customer satisfaction with specific methods of customer contact such as telephone enquiries and written correspondence.

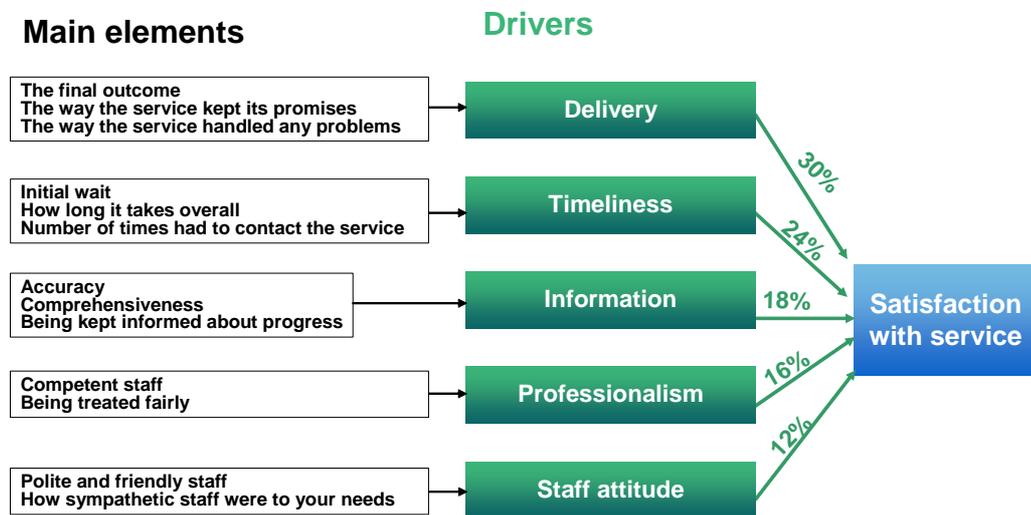
- 2.22 Through the incorporation within the revised Charter Mark scheme of rigorous and standardised measurement of customer satisfaction, it would be possible in future to demonstrate quantitative improvement and effectiveness driven by Charter Mark.
- 2.23 In parallel with the initiation of the current Charter Mark review, the Cabinet Office has also been considering new approaches to measuring customer satisfaction and the case for a sharper focus on customer insights in the design and delivery of public services. Various options have been explored including the possibility of developing a 'customer satisfaction index' based around key encounters in public services, or more effective use of existing surveys and materials. Further

development work is ongoing in what is a complex and crowded landscape with numerous examples of satisfaction and customer insight material collected across government.

2.24 The work currently underway in this area is driven in part by the recommendation of the Public Administration Select Committee Report on *Choice and Voice*. The committee made reference to the Citizen First approach in Canada, part of which focuses on the identification of key drivers of satisfaction amongst users of public services. Whilst it is unlikely that any existing system would fit immediately into the UK context, the Canadian approach is interesting and led to further work in the UK by MORI.

2.25 The research in the UK identified five key drivers of customer satisfaction and arranged the drivers in order of relative importance to members of the public interviewed.

### Key drivers of satisfaction



*This model explains 67% of the variation in satisfaction*

Source: MORI

The result suggested that the adoption of these key drivers could be an important tool to assist organisations delivering public services. This research supports the findings on customer satisfaction that have led to the development of the Common Measurement Tool (CMT) by the Canadian Government. The key drivers identified in this initial piece of work are as follows:

- **Delivery** - the service delivers the outcomes it promised and manages to deal with any problems that may arise;
- **Timeliness** – the service responds immediately to the initial customer contact and deals with the issue quickly without passing it on between staff;
- **Information** – the information given to customers is accurate and comprehensive and they are kept informed of about progress;

**Professionalism** – staff are competent and treat customers fairly ;

- **Staff attitude** – staff are friendly and polite and sympathetic to customer needs.

- 2.26 There are two additional drivers – **physical environment** and **access** – which, though important, are not as strongly indicated as the other drivers.
- 2.27 We recommend that the Charter Mark criteria are revised to be totally aligned with the set of key drivers, and they should focus on the direct experience of the customer. Further work should be undertaken to validate the above five drivers in the context of UK public services. Intrinsic to this would be a requirement for organisations to introduce surveys to assess levels of customer satisfaction on a regular basis; to deliver responses within an agreed timeframe; to identify customer needs at first point of contact, and to monitor outcomes to ensure that promises have been met. All these would be significant additions. It has been proven through the work undertaken in Canada and other countries that there has been a significant increase in levels of customer satisfaction using this methodology. The Charter Mark criteria should reflect good practice in understanding customers, including understanding expectations as well as experience, understanding the responses of different groups in the community and, in particular, a validated and regularly updated set of drivers.
- 2.28 If the Charter Mark criteria were revised so that customer satisfaction formed the basis of the new standard, we concluded that the scheme will be more effective to meet the ultimate objectives.
- 2.29 This would be more prescriptive and outcome focused, more demanding in some areas, with a change in the balance of priorities. Some significant elements would be lost from the existing standard, for example in Government policy areas such as corporate social responsibility; value for money; choice and social inclusion.
- 2.30 Through our interviews with numerous senior individuals and discussions in the Charter Mark Advisory Panel, we have concluded that the operation of a single central measurement of customer satisfaction to create a single “Customer Satisfaction Index” (CSI) would not be well received, nor sustainable. Our view was that public sector agencies and organisations currently measure customer satisfaction in varied ways, which are often not particularly robust. There is widespread support for greater consistency and clarity around how customer satisfaction is measured and what action is taken to address results. **We recommend that the Cabinet Office should pursue the development of rigorous tools and methodology for robust customer satisfaction measurement, which should deal both with the specific service outcomes and softer customer experiences. This could include the requirement to include certain core questions and adopt a particular recommended methodology in order to conduct surveys.** Such surveys would normally be undertaken by the organisations themselves, including mandated standard questions amongst other questions of their own. This would ensure that organisations would

continue to 'own' the surveys and survey results, and be motivated to act on them.

- 2.31 Conversely, the panel and interview respondents had little enthusiasm for a costly, centrally administered survey, and the concept of a central index which would inevitably be too high-level. Organisations would have little or no ownership of results, such results would not be actionable, and the organisations would feel obliged to duplicate them in their own surveys.

Canadian Case Study – Bernard Herdan

Having reviewed the published information in the Canadian Common Measurement Tool (CMT), as well as their 'Citizens First' Customer Satisfaction Survey results, I made contact with one specific organisation embraced within the overall survey, the Canadian Passport Service. The Citizens First Survey gave a positive overall score for the Passport Service amongst many public services. However, the Chief Executive of the Passport Service advised me that the information is of little direct use to them. It is something outside their business reality (to an extent) and they have no real ownership of results from a survey done without their involvement, also with a long delay between conduct of survey and publication of results. If there were to be a significant divergence between their own survey results and those from Citizen First, they might pay attention. Otherwise, these provide broad brush background, but the actionable information is coming from their own surveys. In contrast, the Canadian Passport Service have made good use of the CMT and find this very worthwhile. Their surveys have employed CMT core questions since 2001 and these continue to be retained, albeit with a significant degree of customisation to meet their specific needs. They have indeed concluded that the five key drivers of satisfaction embedded in the CMT relate well to their own survey results.

- 2.32 We have investigated where there could be examples of the use of the Canadian style measurement tool and rigorous methodology, without this being part of a centrally administered survey being 'done to' the service provider. In the UK, the Suffolk County and Mid-Suffolk District Councils have created a single-service (Customer Service Direct) for residents to contact if they need to interact with their local authority. Suffolk Customer Service Direct has chosen to use the Canadian Common Measurement Tool to assess and drive forward customer service standards, with assistance from Canadian consultants. The customer service drivers to which this tool has been applied are:

- Competence and accuracy;
- Communication;
- Customer Delight;
- Timeliness;
- Access.

- 2.33 These map well onto the common drivers mentioned above. Suffolk report that they have gained significant value and achieved improved outcomes from the use of this tool.
- 2.34 We have also come across analogous schemes operating in the private sector which use standardised sets of questions to track customer satisfaction/benchmark/rank service providers in particular sectors. J.D. Power and Associates conduct research which is based on responses from millions of consumers and creates product and service rankings which reflect only the opinions of consumers. It publishes studies which serve as industry benchmarks for measuring and tracking quality and customer satisfaction. The Association of British Insurers has just launched its “Customer Impact Scheme”, an initiative aimed at improving customers’ experiences of the pension, protection and investment industry. The scheme will incorporate an annual survey of customers’ views and experience across the whole industry and an annual report by each participating company against a set of commitments on the quality of their customer service.
- 2.35 We have noted that establishing a set of core questions and a standardised rigorous methodology for measuring customer satisfaction is something that would need to be accepted across Government. We have noted that an initiative is underway to see whether this would be possible, and that this might be ‘owned’ by the Service Transformation Board administered from within the Cabinet Office and/or overseen by the Delivery Council. We note there are various initiatives of a similar type, for example in DCLOG with reference to Local Authorities and the Healthcare Commission, in terms of the NHS Picker Institute patient survey. It will be important that these various initiatives make use of such a consistent approach and it is our proposition that this set of core questions and rigorous methodology should, in turn, become part of the revised scheme we are recommending. Finally, a note of caution: people should not expect that the use of standardised questions and methodology would sensibly lead to league tables or benchmarking between disparate types of public service. There would, however, be scope for this within sectors between broadly comparable service providers. This, in turn, would stimulate sharing of best practice.
- 2.36 **In conclusion, the redefined Charter Mark should consist of a modified quality improvement tool, paired with the introduction of a framework for more rigorous measurement of customer satisfaction with public services, both built around a set of validated drivers of satisfaction. We recommend that customer satisfaction surveys should be commissioned by the organisations delivering services to the public (whether in the public or private sector) but with the requirement to include certain core common questions and to comply with a survey framework and an approved robust methodology. This will enable benchmarking within sectors providing means to demonstrate effectiveness of the new Charter Mark scheme.**

## The New Charter Mark Scheme

- 2.37 **We recommend that the combination of a redesigned diagnostic and quality improvement tool and the application of a new customer satisfaction measurement framework and methodology should form the new scheme to replace the existing Charter Mark.** While this will constitute a significant shift from the current scheme, we have also been mindful of the attitude of current Charter Mark holders and those in the course of applying, who are entitled to see a reasonable seamless transition from existing arrangements to the new world.
- 2.38 **We believe that a way should be found to streamline the Charter Mark application process (without compromising its rigour) and make it easier to collect and present evidence.** We have noted that some recent Charter Mark applicants have developed excellent online tools of their own which can then be populated and used to marshal and present evidence to the assessors. We recommend that such arrangements should become the norm, and that the Charter Mark Certification Bodies should do more to enable this. As noted above, we believe that the existing Charter Mark criteria should be reorganised into revised criteria matching the key drivers of customer satisfaction. Work has been undertaken to map the existing criteria and sub criteria (see Annex 4) onto these new proposed criteria, and we are satisfied that this will produce the basis of an excellent revised scheme, enabling a better connection to be made between the quality improvement dimension of the scheme and objective measurement of outcomes for the citizen.
- 2.39 **We believe that, having established the basic and universal criteria for the revised Charter Mark scheme, efforts should be devoted to developing additional sector-specific guidance and tailoring to match the needs of particular sectors. This is largely about using appropriate language to suit sectors and creating good sector-specific examples. It may also be that the detailed definition of the five drivers of customer satisfaction should be allowed to vary from sector to sector and should evolve to match varied situations, including different channels for service access and delivery. There may be a need for similar adaptation of language, and maybe branding, for Wales, Scotland and Northern Ireland.** More should be done to encourage individual sector advocate/champion/beacons to show how the Charter Mark has worked for them.
- 2.40 We have considered whether there is a case for a purely 'self-service' use of the revised Charter Mark quality tool and survey methodology. We believe that it should be possible for organisations to make use of these, in the same way that the current Charter Mark scheme allows for self-assessment. This would have a positive and beneficial impact on quality of public services. **However, there is a strong case for external validation of the use of the quality tool and survey results undertaken by an accredited organisation, and we conclude that this is essential for results to be credible and provide an incentive for organisations to continue to improve.** It is also what is needed if the customer satisfaction outcome measurements are to be relied upon by others, for example within the modified inspection and regulation regimes mentioned above. Where a Charter Mark applicant has used the

externally validated tools in an effective manner and can demonstrate outcomes through validated survey results, the certification process should be simplified.

- 2.41 We believe that the process of external certification should be simplified so that Charter Mark holders can do more of the work themselves. **The scheme should move away from the three yearly award/certification approach towards annual rolling re-certification for all Charter Mark holders; training of internal staff to act as Charter Mark assessors; greater use of self-assessment and declaration of compliance with standards, and the external assessors placing reliance on such self-assessment. External assessment should undertake risk based audit, spot checks and assessment of only a sample of locations where multi-site organisations have a corporate standard to which all sites should be working.** While not significantly diluting the perceived rigour of the process, this should enable reduction in cost, which is one of the issues that a number of applicant Charter Mark applicants and holders have mentioned to us in interviews.
- 2.42 We believe the Charter Mark scheme will be of greater value to participants if there is greater use of benchmarking and sharing of best practice. Much of this could be achieved through a better website, as well as through the organisation of workshops and conferences which could potentially be combined with award events – see below.
- 2.43 We believe there should be a development of the use of ‘commitment schemes’. Where organisations visibly commit to apply for the Charter Mark, staff and customers should be made aware of this. This would help motivate staff, and ensure managers give the customer service improvement agenda an appropriate level of priority.
- 2.44 Finally, we note a positive trend towards corporate programmes in recent years. Examples of this include HM Court Service, Sheffield City Council, Manchester City Council, Jobcentre Plus and some NHS Trusts, such as the Royal Marsden. The principles of these corporate schemes are that a central core or headquarters Charter Mark certification is undertaken. The standards are set, which would then apply across the organisation. The distributed units and divisions can then more easily complete the Charter Mark certification process reflecting their own local performance. The benefits of this arrangement are that whole organisations’ standards rise, weak areas are pulled up to the standards of the best. **We would advocate the promotion of such corporate schemes and revision of the rolling annual certification arrangements as well as the use of internal assessors to cut costs and make them more attractive, as detailed above.**

## **Relationship with Inspection & Regulation**

- 2.45 We have considered carefully the relationship between a redesigned Charter Mark scheme based on a quality improvement tool and rigorous customer satisfaction measurement, and the existing regulatory inspection and audit regimes which exist across the public sector. While there was not a complete consensus within the Panel, **I have concluded that it would be highly desirable for inspectors and regulators to be able to rely on the redefined, and still externally certified, Charter Mark improvement tool and satisfaction survey results as part of their regimes. This would be facilitated by the new Charter Mark being more strongly focussed on outcomes in terms of the five drivers of customer satisfaction. It would enable levels of inspection and regulation of the customer facing aspects of organisations' activities to be reduced on a risk profiled basis where Charter Mark is held, thus relieving regulatory burden and improving efficiency.**
- 2.46 I have noted a significant consensus amongst Charter Mark holders and senior interviewees that this would be the appropriate course of action. This seems particularly evident for Local Authorities, which are currently subject to the Audit Commission CPA arrangements, and the health sector, subject to the Healthcare Commission star rating/self assessment scheme. Although more complex, it may also be possible to pursue opportunities for this in education where OFSTED would be a key player, and the criminal justice sector (in HMIC etc).
- 2.47 Taking the healthcare sector as an example, we have understood that core service standards are being embedded, and that one key service domain is 'patient focus'. The Healthcare Commission manages a process of self-assessment by NHS Trusts (and now the private sector providers), which is complemented by a site-based inspection regime. So long as the new Charter Mark scheme is strongly focussed on measured customer outcomes, with rigorous external certification, and with possible adaptation to match the specific features of the health sector, it should be possible for the Healthcare Commission to place a good degree of reliance on the new Charter Mark certification for this part of their regime. This would, in turn, have the possibility of relieving some regulatory burden for the Trusts that have chosen to acquire the new Charter Mark for this and other reasons.
- 2.48 We have noted a significant divergence across inspection bodies about what constitutes customer service. Involving them in the Charter Mark scheme could bring them together, and they could be actively involved in the design of the new standard so as to obtain their agreement at its launch. This, in turn, would enable their buy-in to deliver real and meaningful simplification to the inspection regimes.

### **Charter Mark and HMIE Scotland**

HMIE is the Executive Agency that conducts inspections in Scottish schools. Their aim is to contribute to improvement and to provide independent advice on educational policy to Scottish Ministers and the education system. They emphasise the value of self-assessment, correlating strongly with the ethos of

## Charter Mark.

In 2002 HMIE was the first education Inspectorate in the UK to achieve Charter Mark. Their enthusiasm for the benefits it brought encouraged them to work with the Cabinet Office to engage others in Scottish education

HMIE produced a Guide which brings together the approaches to improving quality which are established in Scottish schools and pre-school centres, and shows how they provide a practical basis for achieving the Charter Mark Standard.

A working group from Scottish pre-school centres, schools and education authorities have contributed to its development and Cabinet Office was consulted about the content.

### Charter Mark in the Scottish Education Sector

The Scottish education sector has a long history of Charter Mark success, with holders at pre-school, primary, secondary and further education level. In 2002, 15 educational establishments in Scotland achieved the Charter Mark Standard.

There are currently 44 holders in the Scottish education sector. The Scottish Executive provides a subsidy for Scottish Schools of £250 against the costs of formal assessment.

2.49 While the Charter Mark criteria and drivers of customer satisfaction should be common across all sectors, we accept that the detailed criteria could be tuned to the needs of the regulators whilst still meeting overall standards. The concept would be that regulators could then rely on Charter Mark certification evidence for the customer service/customer facing features of their inspections and required self assessments. For this to happen, there would have to be energy and commitment on both sides, and regulators will need to be fully satisfied on the rigour of Charter Mark certification.

**2.50 I recognise that this would be a challenging objective and would clearly require significant Ministerial and senior Departmental support. This provides one of the strong arguments for retaining at least the policy-lead function for the Charter Mark scheme within Government, rather than outsourcing in its entirety to an arms-length organisation.**

### Who should be eligible for Charter Mark?

2.51 Originally the Charter Mark scheme was only open to a narrowly defined public sector, partly to keep costs down when the scheme was fully funded by the Cabinet Office. There have been significant changes to the eligibility rules over the years. While initially, only clearly defined public sector organisations were permitted to apply, this was later expanded to include sub-contractor services delivered by private companies, voluntary groups, internal services and entire Local Authorities. More recently, privatised utilities and passenger rail and bus services were also allowed to apply. This incremental approach has led to a

complicated set of eligibility rules that run counter to the requirements of a modern, open and simple standard.

- 2.52 **We have considered whether such rules should remain, or whether eligibility for the Charter Mark should be widened. We have concluded it should embrace all organisations – within the public sector, private sector, or voluntary sector – which provide public services as commonly understood.** This means it would be open, for example, to private firms providing outsourced data processing/call centre/printing/ back-office services to the public sector. Also private health care firms delivering services within the NHS, private nursing homes as well as those in the NHS or local authority ownership, and private run prisons as well as those in the public sector.
- 2.53 We have also considered whether to open up the Charter Mark scheme to the whole of the private sector, and concluded that, while there is no reason to bar any firm from applying, the scheme should remain focussed on, and marketed to, the providers of public services. This is in light of the Charter Mark objectives; its close links to Government (which we wish to preserve and reinforce), and the fact that most out-and-out private sector firms will probably not be interested in Charter Mark certification. This also recognises the inherent difference in that private sector firms generally are keen to do their own customer service differentiation, can generally choose their customers where the public sector cannot, and have the benefit of competitive threat to drive up standards and motivate their staff, something much less available in the public sector.
- 2.54 **In order to stimulate the growth of the Charter Mark scheme and its impact on public service provision, and recognising the increasing involvement of the private sector in this, we would recommend that the new Charter Mark scheme be marketed in such a way that outsourced service providers would find it increasingly advisable to obtain Charter Mark certification for themselves, in order to increase their chances of success in bidding for new public sector work.**

### **Motivating Continuous Improvement**

- 2.55 We found a consensus that the standards set by Charter Mark are currently high, and not always particularly easy to achieve. People appreciate the rigorous evidence-based approach, coupled with on-site assessor visits and comprehensive assessment report. This is all fundamental to set the Charter Mark apart from lesser award and recognition schemes which do not include this rigorous approach.
- 2.56 Initial acquisition of the Charter Mark is found to be the greatest challenge and is often preceded by a customer service improvement programme, sometimes informed by use of the self-assessment tool. Following initial assessment, action plans will generally be completed (at least by the more enlightened and motivated managers) in light of the findings of the assessors. However, once an organisation has held the Charter Mark for three years or more, there can sometimes be a loss of

momentum and no real motivation to keep improving once an organisation has reached and, indeed, exceeded the standard. Yet, to keep “raising the bar” could create barriers and deterrents for new applicants.

2.57 **We have concluded, in the light of these findings, that for the Charter Mark to drive continuous improvement, there is a case for some form of gradation, reward or other recognition for Charter Mark holders who have maintained continuous improvement and/or excelled in one sense or another.** We have considered and consulted on a number of possible solutions:-

- The Charter Mark to be awarded at three standards (bronze/silver/gold);
- Organisations, when being re-certified, could be recognised where they have achieved exceptional improvement through being designated as “highly commended” or “with distinction”;
- Charter Mark holders could achieve the basic standard but also be recognised as achieving more under specific criteria, thus gaining recognition at different levels per criteria, similar to the latest IIP “Profile” product;
- Charter Mark holders could be entitled to enter for awards for exceptional improvement and/or exceptional achievement under various headings potentially aligned with the new five Charter Mark criteria.

2.58 For various reasons, and taking account of feedback from Charter Mark holders and potential holders, we do not advocate the bronze/silver/gold scheme. **However, we believe that the concept of recognising levels of improvement and high levels of achievement under each of the five criteria of the new Charter Mark scheme would be worthwhile. For each of the five criteria, applicants would be made aware of the standards that they would need to achieve in order to be recognised at different levels, and would obtain feedback on what they needed to do to get to the next level. This would also enable capacity building for the future.**

2.59 We believe that any recognition of excellence through higher ratings under particular criteria and/or through awards should be linked to a moral obligation to share best practice, perhaps presenting at specially convened events; putting information on the Charter Mark website; accommodating “Corporate Raids” only open to Charter Mark holders; acting as Charter Mark “beacons” or “champions” to be emulated by others. These arrangements would, in our view, help to drive continuous improvement since, with little public recognition of Charter Mark, there is no explicit citizen pressure. There is also no financial reward to holding Charter Mark and there is indeed a cost associated with obtaining and retaining it. Therefore we need to develop features of the scheme that would give managers (and staff) something to aim for, and with which they can identify, particularly in view of the evidence that this will improve levels of customer satisfaction and possibly relieve regulation and inspection burdens.

- 2.60 **Many Charter Mark holders told us that holding the Charter Mark is highly motivational for staff, particularly where significant internal communications exist around the scheme, and where there is an internal celebration when the Charter Mark is achieved. It is important that the new scheme continues to reinforce this.**

UKPS Staff Survey

A staff survey was conducted within the UK Passport Service to investigate attitudes to the holding of a Charter Mark. Over 1000 staff responded. A total of 73% of respondents said they found it motivating that UKPS holds a Charter Mark and that this helped them feel proud to work for UKPS. The same percentage said that they considered that holding and having to retain the Charter Mark drives up the standard of service which is provided to the public. About 60% thought that passport applicants think more highly of UKPS because it has a Charter Mark.

- 2.61 Charter Mark certification provides the opportunity for an organisation to recognise and celebrate the achievement of its staff. High profile events were an important component to the Charter Mark scheme in the early years, but have rarely been held more recently due to Cabinet Office financial cut backs. However, quite a number of organisations have told us that they hold their own celebratory events. Some individuals have told us that attending a Charter Mark award event and receiving the award on behalf of their organisation has represented a pinnacle in their career. **We believe that Charter Mark award events should be reinstated, both as a strong symbol of Ministerial commitment to excellence of public service; as a motivator for staff, and to provide a forum to share best practice.** Since inevitably few staff get to attend such national events, we also would advocate encouraging internal celebrations and events for organisations which, at least for the larger ones, could be attended by important figures with a national or local profile. There could also be regional events for smaller organisations.
- 2.62 The value of celebratory events of this type would be much greater if they were used to share best practice in a more active and substantial way. We believe these events could often be organised as symposia or conferences where Charter Mark holders who have demonstrated outstanding improvement or performance under various categories or criteria could be invited to present their work to an awards panel in front of a much larger audience of Charter Mark holders. Winners would then be announced and awards presented. Events would also promote future networking and corporate raids, which are a particularly fruitful technique for organisations to learn about achievements of others.
- 2.63 We have considered the design of the award events. Awards could be made to individuals, teams and organisations who have either demonstrated the greatest rate of improvement or the highest absolute scores in Charter Mark assessments against the five criteria of the redesigned scheme. Such award events could be mounted in partnership with other organisations that already run award schemes. For example, Cabinet Office already jointly sponsor, with CIPFA, an

award scheme for the Public Servant of the Year. There are other comparable schemes, such as those run by the Health Service Journal, and the Local Government Chronicle, which celebrate and reward achievement in the Health Service and Local Authorities respectively. Ideally, such new style collaborative events would only be open to Charter Mark holders, or at least there would be specific awards made exclusively to such organisations.

- 2.64 Linked to such award schemes, there are also good precedents for publications in which the achievements of winners are featured. We were particularly struck by the Guardian “Public Servant of the Year” publication and the Sunday Times “Top 100 Companies To Work For” magazine, which appears once a year, organised by Best Companies Ltd. Such publications are generally funded through advertising which is organised by the publisher, and would not represent any additional financial burden on the Charter Mark scheme if appropriately arranged. Award events themselves can also be self financed through inclusion of corporate sponsorship and/or a charge to those who participate.
- 2.65 **An injection of energy and activity around recognising improvements and achievement would help to deliver the agenda of increased staff motivation. All opportunities should be seized to give recognition and celebration of achievement, given that motivated staff generally deliver a better service.**

### **Branding and Marketing the New Scheme**

- 2.66 People who have been interviewed in the context of this review have been asked for their views about the name ‘Charter Mark’ and whether they believe it should be retained or replaced. We have also discussed this within the Charter Mark Advisory Panel and held a professionally facilitated workshop on branding. In summary, the matter is finely balanced.
- 2.67 On the one hand there are some problems with the Charter Mark brand legacy. People have asked ‘how can you have a Charter Mark when there is no Charter?’ There are some difficult memories around the Citizens’ Charter, “Cones hot line” etc. It could be argued that we are proposing quite a radical change to the scheme, and a change of name would help to signal this. On the other hand, the Charter Mark has been operating successfully now for fourteen years. There has been a good deal of investment in the brand and there is loyalty for the Charter Mark brand amongst current holders. It is well respected as a rigorous standard. Changing the name of the Charter Mark could upset current Charter Mark holders and those who are currently planning to apply. Changing a brand can be expensive and could attract adverse comment about the cost of re-branding.
- 2.68 Before reaching a conclusion, we have focussed on how the new Charter Mark scheme could best be described and what would be the brand values and unique selling proposition (USP) of the rejuvenated Charter Mark brand.

- 2.69 **The USP is that the new Charter Mark will be the only comprehensive scheme which is focussed on improving public services and customer satisfaction using rigorous external validation. The new Charter Mark is a scheme which provides a roadmap and gives people levers to drive improvement. It is a diagnostic tool tailored to the needs of public service, which enables achievement of continuous improvement demonstrated by rigorous measurement of customer satisfaction. It could be sold as “the one scheme which helps you deliver customer service excellence”.**
- 2.70 **I have concluded that, while the matter is finely balanced, the name of the Charter Mark should change to reflect the fact that the new scheme will be significantly different and to deal with those difficult associations with the past. A new name should send the signal of significant change and a commitment by the Government that the new scheme will have much higher and more explicitly measurable impact on the quality of public services.** It will also be important to change the logo and visual aspects of the brand to reflect the new direction and a more modern image.
- 2.71 I recognise that this will have some financial implications, although these should be set in the context of the significant impact that a revitalised scheme could have on the transformation of public services. While a visual redesign of the Charter Mark brand without name change could be done for £20,000, we estimate that the creation of a totally new identity for the scheme (also including visual re-branding) could cost around £80,000-£100,000. This could also take 6-8 weeks to accomplish, and should precede any Ministerial announcement of the results of this Review and launch of the new scheme.
- 2.72 We appreciate that there is little recognition for the Charter Mark by the public at large, but there would be no business case for creating a high level of public awareness of the scheme, whether under the current name or any new identity. Indeed the priority is to develop an effective marketing scheme of a business-to-business nature to raise levels of awareness and market benefits of the new Charter Mark scheme to its potential users, namely the provider of public services whether in the public, private or not-for-profit sectors.
- 2.73 **Very importantly, the marketing of the Charter Mark should be significantly increased if its penetration is to increase in order to have much greater impact on the quality of public service.** A marketing plan needs to be developed. There needs to be direct marketing to Charter Mark holders and potential holders, as well as broader marketing to raise the profile amongst other key stakeholders. There should be a strong link between the marketing of the scheme and the derivation of benefits from new Charter Mark through events, publications, networking and the website. A decision needs to be taken as to whether the marketing should be largely undertaken by Government, or by the outsourced service providers which, in turn, depends on final decisions being taken about the organisation and the sponsorship of the scheme. Care should be taken to ensure that existing

Charter Mark holders should not be demotivated and potential new applicants should not be deterred by the change in the name of the scheme.

### **Sponsorship and Operation of the Scheme**

2.74 The question of where the new Charter Mark scheme should belong and who should own and deliver it is a complex one. Currently, the Charter Mark scheme is 'owned' by Government and led by a small team in the Cabinet Office, with all of the assessment being undertaken by private sector organisations who are separately accredited by the United Kingdom Accreditation Service (UKAS). There is no central measurement of customer satisfaction, nor is this recommended. However, neither is there any kind of central repository of knowledge or recommended methodology in this area, although some market research companies offer benchmarking across the public sector.

2.75 For the newly defined Charter Mark scheme we looked at the possible options including:

- Locating it entirely in the public sector;
- Maintaining the lead in the public sector with outsourcing of service delivery;
- Putting the leadership and service delivery of the scheme in an NDPB or Agency;
- Establishing a joint venture or transferring the entirety of the scheme to a not-for-profit organisation or to the private sector.

2.76 Within the latter option, we considered possible joint venture partnerships, for example within an existing accreditation or consumer rights organisation. We considered merging with one or more schemes or organisations, for example Investors in People, Best Companies, Public Servant of the Year, Customer First, Institute of Customer Service, National Consumer Council, Consumers Association, while seeking to retain the existing Charter Mark identity, as evolved into a new but still distinct identity.

2.77 I fully understand the desire for administrative costs and financial support from the Cabinet Office to be minimised. However, there is also a clear wish for the scheme to play out a more central role in the reform and continual improvement of services to the public. There is a clear tension between costs and resource constraints on the one side, and desire for new Charter Mark to be an active tool of Government policy on the other. In our considerations, we noted that, almost universally, **Charter Mark holders strongly value the connection with Government; the endorsement they receive from Ministers and indeed the letter to each Charter Mark holder which is signed by the Prime Minister. We strongly believe that this connection should not be broken under the new scheme, which could be a valuable lever for Government to drive up standards as it seeks to measure and improve performance in Departments and Agencies.** We have

understood from HM Treasury the idea of doing this using a four element dashboard:

- Objective outcomes;
- Resources;
- Organisational capacity;
- Customer experience.

- 2.78 The new scheme could play a key role in evaluating and improving the latter. **We have therefore concluded and recommend that there should be a central unit in the Cabinet Office or the Prime Minister's Delivery Unit to run the scheme, lead the marketing, spread best practice and manage outsourced service providers in the private sector. Sponsorship of this activity could well sit with the new Service Transformation Board or the Delivery Council, which is under consideration.** It seems to me that if this is to be seen as an important means by which the Government can drive up customer service standards and focus, transferring the new Charter Mark scheme in its entirety to a body outside the Government is not a logical step. By keeping it within Government, there is a real opportunity for the new standard to be placed at the heart of customer focus reform, with close integration into new developments on customer facing elements of PSA targets, capability reviews, the work of the Service Transformation Board and Delivery Council and reforms to the regulatory and inspection regime, which could relieve burdens on public sector organisations. The Charter Mark also would fit well with the Prime Minister's agenda on the personalisation of public services reform, and could have wider impacts on other civil service reforms. There could also be a relationship with the Government's "Respect" agenda – citizens have the right to expect they will be treated with respect by staff delivering public services, whether police, nurses or teachers. This links to the fifth of the key drivers of customer satisfaction.
- 2.79 **However, we believe that the vast majority of activity can be undertaken by outsourced service providers. Such providers, selected through competition, would undertake the operation of the Charter Mark scheme, defined widely to encompass all of the elements described in this report, and would be held accountable for driving up both uptake and standards in order to achieve overall outcomes. The Departmental sponsorship and contractual arrangements with outsourced providers should enable stronger definition of roles, tasks, and common approaches than is the case with the current scheme.** Marketing would be jointly undertaken by the Government and the outsourced service providers.
- 2.80 We have considered who should undertake the certification for the new Charter Mark scheme. The current arrangements involve four certification organisations who assess applicants against the standard. These organisations are approved by the Cabinet Office to conduct assessments and the United Kingdom Accreditation Service (UKAS) provides assurance of their competence, and that processes comply with international standards. These arrangements have the merit of

eliminating any financial burden on the taxpayer. There are benefits from competition between the four certification organisations who are encouraged to market the scheme and set prices at competitive levels. The involvement of UKAS adds credibility to the scheme. However, a drawback of this arrangement is that a relatively small amount of business is spread between the four organisations and each of them may be reluctant to invest in order to boost the market for Charter Mark, only to see competitors benefiting.

- 2.81 It may also be that the international accreditation standard operated by UKAS is too prescriptive and not sufficiently flexible to meet customers' needs. The current rules are possibly being applied too rigidly by assessment bodies and greater flexibility could be found within the existing system. Other options could include a new accreditation standard more specifically tailored to customer service issues, and we understand that UKAS could design a new arrangement which would be more suited to the Charter Mark requirements.
- 2.82 Whatever the detail of the assessment arrangements, the key principle is that the Government should continue to outsource the service delivery, but with an increased scope of work to be undertaken by outsourced service providers, subject to regular re-tender.
- 2.83 We believe it is important to take stock of where the Government is funding schemes which potentially compete or overlap with the Charter Mark. There could be some rationalisation in this area. This would relate for example to Customer First, Matrix and Beacon Council schemes. We also note that if the revised Charter Mark, and in particular the outsourced providers, could operate a shared service to deliver customer satisfaction surveys to the approved methodology, this could lead to efficiency savings, as many individual organisations who currently commission their own surveys from different market research companies could gain from the economies of scale by all accessing the shared service. However, in order to ensure that pricing remains competitive, the position of these outsourced service providers would need to be regularly re-tendered, or alternatively there could some framework contract arrangements put in place.
- 2.84 It is for the Government to decide where the sponsorship of the new Charter Mark scheme should live. From my understanding of recent developments, the natural home would be the new Service Transformation Board or Delivery Council. This would provide the appropriate level of supervision and endorsement, with sufficient "clout" to encourage Departments and Agencies to make use of the scheme and to move towards regulators and inspectors relying on Charter Mark certification for part of their work.
- 2.85 **I recognise that for Ministers to be genuinely enthusiastic about re-engaging with and promoting the Charter Mark, they will need to be convinced that the rejuvenated scheme has a sense of energy and dynamism, and that it is not just an award or plaque, but is genuinely a vehicle for improvement, and that it has clearly defined objectives which mesh with the Government agenda.**

- 2.86 In marketing and positioning the new Charter Mark scheme it will be important that assessment is seen as being independent of Government in the sense that it is not in the gift of Ministers to recognise or award favoured organisations. The rigour of the Charter Mark assessment must be retained. The challenge will be to retain links with Ministers from the perspective of keeping new Charter Mark in the mainstream of the Government agenda to improve public services, and for the new Charter Mark holders to receive motivating high level recognition, while at the same time minimising financial burdens.
- 2.87 We recommend that further work should be undertaken to assess the effectiveness and the current outsourced provision of Assessment services, and whether it would be best to remain with the multiple provision arrangement which is currently in operation. Further work should also be undertaken on how best to organise future marketing activities and events so that these are effective and create minimum financial burden. The possibility of forging collaboration or joint venture agreements with third parties to deliver parts of the new Charter Mark scheme should be explored further.
- 2.88 In conclusion, the new combination of a small unit in Government and a number of outsourced service providers should:
- Implement the recommendations of this Review;
  - Run the new Charter Mark scheme (with new name and branding);
  - Provide the UKAS accredited external assessment function;
  - Act as the repository of knowledge on the approved customer satisfaction survey tool, core questions and methodology;
  - Provide a shared service for delivery of customer satisfaction surveys;
  - Assemble customer satisfaction data which can be used for sectoral benchmarking and for broader Government use;
  - Undertake marketing;
  - Run award events;
  - Demonstrate the effectiveness of the Charter Mark scheme;
  - Have a strong focus on facilitating the sharing of best practice;
  - Act as champion across Government for the provision of high standards of service to the public;
  - Earn revenue from the certification function, customer satisfaction surveys, benchmarking services and award events which can be ploughed back into the running costs and development of the scheme.
- 2.89 Whatever the finally decided structure of the organisation, I advocate that the Government put greater funding (albeit modest) into a significant increase of activity around marketing of the Charter Mark, justified by the results which will be generated. A business case needs to be developed for this and clear definition made of how outcomes will be measured.
- 2.90 **I recommend that, once the branding work has been completed, there should be a high profile launch of the new scheme -**

**potentially through a launch event inaugurated by the Prime Minister - incorporating speakers from organisations able to testify to what has already been achieved by the original Charter Mark, and showing how the new scheme will be more powerful and how it will fit into the Service Transformation strategies and the personalisation of Public Services.**

## **SECTION 3: METHODOLOGY FOR THE REVIEW**

### **Research supporting the Review**

3.1 A considerable amount of research work supports this review. A wealth of existing background data was collated and analysed alongside third party studies of Charter Mark benefits. Further work explored the scale and scope of the existing market place for standards, award schemes and quality improvement tools, together with an analysis of where Charter Mark sits in an increasingly crowded market. We also analysed UK Government inspection/regulatory regimes, and considered how Charter Mark could be relevant to their customer-facing elements.

### **Independent market research**

3.2 An independent research company was appointed to assess the awareness and understanding of Charter Mark, including comparisons with other quality schemes, with an emphasis on Charter Mark's:

- aims and objectives;
- scope and format (criteria);
- image and degree of value that resides in the brand;
- perceived value (benefits and weaknesses).

3.3 Three core groups were consulted: Charter Mark holders; those that were formerly holders but had lapsed; and those who were eligible, but had not used the scheme to date. The company also met with members of the public seeking their perspective on elements of excellent customer service and service standards.

### **Face to face interviews**

3.4 I undertook a number of face to face interviews with key stakeholders to seek their views and perspective on the question of a national customer service standard and issues of customer satisfaction measurement across public services. Further interviews of this type were conducted by the Charter Mark Team. We talked with representatives of the private sector, public sector and not for profit sector, generally at very senior levels, conducting around 35 interviews in total. The list of interviewees is at Annex 2.

### **Approach taken to reaching conclusions**

3.5 To help with consideration of issues and the formulation of this report, I established an **Advisory Panel** whose help has been invaluable. Details of the membership are given in Annex 1. Administrative support and compilation of research data were provided by the Charter Mark Team in the Cabinet Office. We made as much use as possible of discussion and debate within the Advisory Panel in reaching conclusions.

A workshop was held in mid-March to debate emerging findings with **key stakeholders**. Meetings were held with representatives of the four existing assessment bodies and UKAS. The list of attendees at these stakeholder meetings is at Annex 3. A specialist workshop was held to explore issues around **branding**.

3.6 The issue of the rigorous measurement of Customer Satisfaction (and possible Index), and how this might fit with any further customer service standard, was an important feature of the programme of face-to-face interviews and the Advisory Panel debate.

## **SECTION 4: EVOLUTION OF CHARTER MARK 1992-2006**

### **History**

- 4.1 The Charter Programme, both Charters and Charter Mark, date from the early 1990s as part of the 'Citizen's Charter' initiative of the previous administration. The UK Government published Charters for a range of public service sectors. These were formal statements setting out the standards that users of public services might expect to receive, and were regarded as a powerful incentive for public service organisations to set and maintain standards.
- 4.2 Charter Mark was launched in 1992 as an award for excellent customer service within the public sector. Growing from 35 winners in that year, to 949 in 2002, successful organisations were recognised with a trophy presented by a Minister and accompanying high profile publicity. The Cabinet Office owned the scheme and subsidised all applications in full. However, the expansion of the scheme conflicted to some extent with the financial implications of doing so. The scheme was, therefore, subject to a review in 2002 with objectives to strengthen it as a tool for customer-focused improvement, to widen participation across all public services and to reduce the cost of the scheme to Cabinet Office whilst offering value for money to applicants.
- 4.3 To meet these objectives, the Cabinet Office repositioned Charter Mark (in 2003) as a tool of customer service excellence, promoting it as a benchmark that all should aspire to, rather than a badge to collect. The Charter Mark Criteria (the contents of the scheme) were updated with stronger emphasis on standards, choice, flexibility and devolution. New assessment arrangements were put in place offering choice and value for money for applicants, on a full-fee recovery basis. Ministers continued to promote the benefits of the Charter Mark.

#### **Current Charter Mark Criteria – as revised in 2004**

1. Set standards and perform well;
2. Actively engage with your customers, partners and staff;
3. Be fair and accessible to everyone and promote choice;
4. Continuously develop and improve;
5. Use your resources effectively and imaginatively;
6. Contribute to improving opportunities and quality of life in the communities you serve;

Full details of the current Charter Mark criteria are in Annex 5.

### **What Was Said.....**

*“The future success of our public services depends on people like you. People on the front line who do a crucial job - and want to do it even better. The local heroes of our schools, hospitals, jobcentres and other services... One message stands out from your Charter Mark success. Where there is a spirit of enterprise, and a readiness to change and innovate, and to put the customer first - then the customer benefits.”*

#### **Prime Minister Rt. Hon Tony Blair, MP 2003 Charter Mark Celebration Event**

*“Charter Mark has evolved to meet the changing needs of UK public services and their customers. But the key aspect of the scheme will remain unchanged - to focus on the needs of the customer. I encourage all public sector managers to consider the improvements for their customers that Charter Mark can achieve”*

#### **Rt. Hon Ian McCartney, MP 2004 Charter Mark Re-launch Event**

*“This Government is committed to putting people at the heart of public services and I am delighted to congratulate all those Charter Mark holders ..... who are helping us to achieve this.”*

*“Much good work has been done already in reforming public services and these Charter Mark holders are to be congratulated for their contribution to this in showing how to put the needs of the customer first.”*

*Putting people at the heart of public services reception; Charter Mark ‘Stories of Success’ March 2005*

#### **Chancellor of the Duchy of Lancaster Rt. Hon David Miliband, M.P**

### **New Charter Mark Standard - 2004**

- 4.4 New assessment arrangements, introduced in 2004, led to the present arrangements of four certification bodies conducting Charter Mark assessments. The objective was to offer choice to applicants in terms of assessment and cost and to allow competition for business as an incentive for delivery of best value.
- 4.5 The move from an award to a standard has been generally welcomed, and corporate programmes (designed to take a service or organisation wide approach to improvement) have been increasing. Whilst costs were reduced significantly for Cabinet Office and applicants are now offered value for money in assessment, the added value of the scheme has still not been effectively validated other than by anecdotal evidence. There has been modest growth across sectors and Charter Mark is effective in driving up customer service where it is used. However the relatively low penetration across public services means that Charter Mark is still not having a major impact in driving up standards

### **Penetration across sectors**

4.6 The table below shows the number of Charter Mark holders by each sector and as a total percentage of the market as at March 2005.

Sector	Total number of employees in C.M. organisations	Total number of organisations certified	Total number of employees in sector	% Market
<b>Courts</b>	3,765	81	20,000	20%
<b>Education</b>	41,627	226	1,346,000	3%
<b>Police</b>	31,877	14	260,000	12%
<b>Health</b>	53,790	91	1,470,000	4%
<b>Housing Association</b>	16,797	91	200,000(est.)	8%
<b>Local Authority Services</b>	87,222	609	(2,890,000) Education: 1,544,000	6%
<b>Utilities</b>	11,335	6	150,000 (est.)	7.5%
<b>Prisons</b>	1,218	7	31,410	4%
<b>Other (Balance)</b>	162,821	327	est (724,590)	-
<b>Total</b>	<b>410,452</b>	<b>1,452</b>	<b>5,746,000</b>	<b>7.1%</b>

### **Current take up of Charter Mark**

4.7 1,452 organisations are currently certified as Charter Mark holders. There are 410,452 employees working within Charter Mark holding organisations.

4.8 Certifications in 2005 rose to 702 in comparison to 525 for 2004. There was a significant increase in employee totals, due predominately to larger organisations undertaking corporate applications (where individual services within an organisation are encouraged to seek certification as part of a planned programme of service improvement).

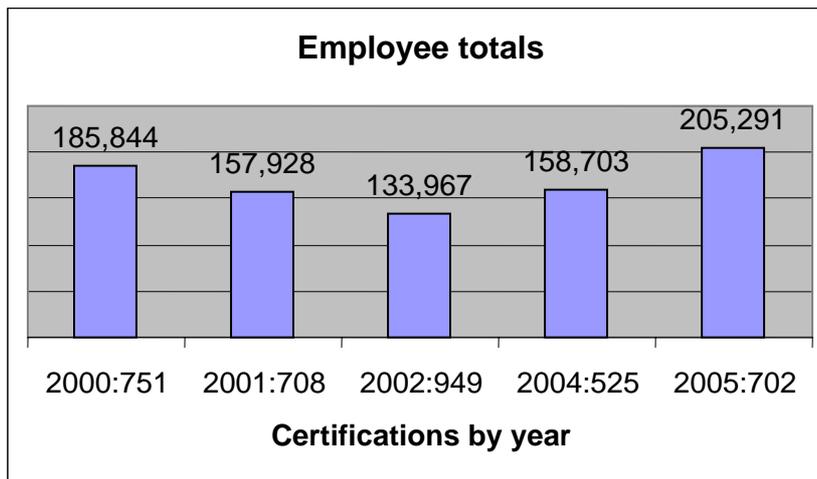
4.9 These 702 organisations had a total number of 205,291 employees. The table below shows certifications by sector and employee figures for certifications within each sector.

### Sector Breakdown 2005:

Sector	Certification total	Employee total
Careers	3	702
Charities	8	894
Courts	13	508
Education	136	26,779
Emergency Services	13	27,008
Government Departments	31	23,441
Health	44	20,868
Housing Associations	46	5,990
Internal Services	3	242
Judiciary	1	23
Local Authorities	325	52,676
Museum/Heritage	2	289
Next Step Agencies	47	28,937
NDPBs	10	1,620
Partnership	1	21
Prisons	3	961
Private Company/Sub-contractor	2	2,270
Tec/lec	1	211
Transport	5	2,027
Utility	5	9,335
Other	3	489
<b>Total</b>	<b>702</b>	<b>205291</b>

4.10 The graph below shows comparisons in the certification totals and employed staff totals since 2002. It reflects the impact of the increase in the promotion of corporate programmes after the scheme re-launch in March 2004:

- Although the actual certifications carried out during 2004 were fewer than in 2002 they indicate that some larger organisations were engaged in corporate programmes and the number of employees were therefore at a higher level than that of 2002. In 2005 there was both an increase in the number of organisations and staff employed.
- Corporate approaches are the preferred option of larger organisations to enable coordination of the evidence provided in support of applications, saving both time and cost.



### **Charter Mark and Local Authorities**

4.11 Local Authorities have long realised the potential of Charter Mark as a transformational tool and a framework for continuous improvement. This is reflected in the large numbers of Local Authority units that are already Charter Mark holders, and recent figures demonstrate that it is the fastest growing sector for Charter Mark:

- There are 609 current Charter Mark Holders within Local Authorities.
- The total number of employees working in Charter Mark holding Local Authority services is 87,222.
- Local Authority services of all types are Charter Mark holders. Some services have used the standard more extensively than others, in particular:
  - Environmental Health / Services: 36
  - Residential homes: 30
  - Housing: 42
  - Building and Planning: 26
  - Revenues and Benefits: 35
- Trends are also apparent by region: 31% of Local Authority holders are in the South East, 16% in Scotland and 11% in the North West. Wales has only 1.5% of Local Authority holders, Northern Ireland 2% and East Anglia 3%.
- There is significant scope for expansion. Many Local Authorities do not use the Standard; others have only a handful of holders. There has been a significant shift from individual applications towards corporate programmes.

## SECTION 5: SUMMARY OF EVIDENCE COLLECTED FOR THE REVIEW

### Past Research into Charter Mark benefits

- 5.1 Independent research on the benefits of using Charter Mark was commissioned by Cabinet Office in previous years. Inconsistencies in methodology did not allow for straightforward comparability of the data in different years, or for strong conclusions to be drawn from the data. However, a set of broad themes and key messages emerge, especially from the in-depth MORI surveys of Charter Mark, where it was found that Charter Mark:
- was mainly used to reward good service rather than to drive performance;
  - increased staff morale, provided an incentive to improve service standards; and
  - gave organisations a competitive edge and formal recognition from central Government.
- 5.2 The service improvements attributed to Charter Mark were reported by organisations to be in four main areas, thus reinforcing the main focus of the scheme as a tool to drive customer service standards:
- Better customer focus based on more choice and greater consultation with users;
  - Development of user led strategies where user feedback was strategically embedded in the policy making process;
  - Improvements to handling complaints where complaints were logged, analysed and fed into policy;
  - Better published information by organisations to ensure greater transparency and clearer guidance on services.
- 5.3 Time and costs associated with the formal assessment process for Charter Mark and (as with other quality schemes) were perceived to be the main negative drivers. The list in Section 6 includes references to past research conducted by third parties.

#### What were the main benefits of obtaining a Charter Mark?

Issues identified by winners	%
Professional/Peer group recognition	85
Public Recognition of standards	83
Positive publicity	81
Competitive edge	64
Staff motivation	86
Incentive to improve standards	99
Effective feedback on how to improve	97
Benchmarking	71
Improved customer focus	99

**To what extent has Charter Mark helped you to ...?**

<b>Replies indicating 'a great deal' or 'a fair amount'</b>	<b>% of Holders</b>
Increase customer/user focus	94
Deliver more cost effective services	82
Increase user consultation	94
Improve staff morale	91
Develop more effective internal processes	86
Develop more effective delivery of services	90
Improve complaints handling	87
Increase co-operation with OGDs/agencies etc	87
Improve communications and published info	88
Improve responsiveness to customer enquiries	92
Improve levels of customer satisfaction	93
Develop service standards which reflect user needs	91
Improve performance against standards	92
Make savings of offer better value for money	53

Source: MORI 2001

**Research into Existing quality tools and award schemes**

5.4 Research was conducted into the quality standards and award schemes market, including a detailed analysis of more than 50 potential competitors, to gain a better understanding of the market in which Charter Mark operates and to inform discussion about a new customer service standard. An overview of the schemes we reviewed is included at Annex 6.

*Significant Standards and Awards*

5.5 The more significant standards and awards are well-respected, and either used widely or targeted for maximum impact. These include Investors in People; EFQM Excellence Model; Matrix; Customer First; the Beacon Scheme; CIPFA Public Servant of the Year Awards and the Sunday Times 100 Best Companies. A brief summary of the key schemes is included in the box below. The Institute of Customer Service is also influential in this market: ICS trains individuals rather than organisations, but their National Customer Service Awards recognise companies across the whole spectrum of industry, commerce and the public sector.

**Some Relevant Quality and Award Schemes**

**Investors in People** is a business improvement tool designed to advance an organisation's performance through its people. It was conceived as a flexible framework to help UK businesses become more competitive, and has grown to become the UK's biggest standard, with 37 000 organisations participating Administered through an NDPB, the budget for IiP is £6 million annually, £5 million of which is grant-in-aid from DfES. Following a review in 2004 IiP has innovated and introduced a profile framework tool that encourages benchmarking and competition. They conduct extensive survey work, demonstrating the impact of the IiP

standard, including its impact upon customers. Commitment certificates are used to encourage applicants to 'buy-in' to the scheme. Targets are used to increase profile and participation: an Ambassador Programme helps to promote the standard and partnership working with the Financial Times and 100 Best Companies has also increased the influence and profile of IIP, and there is willingness to explore closer links with Charter Mark.

**Customer First UK** is a framework designed to improve the quality and consistency of business support services and to provide a benchmark that commissioning businesses can recognise and rely upon. It is aimed at organisations that provide services to companies funded from public sources, and key sectors include enterprise agencies, training providers and further education. It has seen rapid growth, and although distinct from Charter Mark it shares an emphasis on customer service. Of particular interest is their emphasis on capacity building: if found to be partially or non-compliant against the framework, there is the opportunity to undertake specific capacity building modules to help organisations towards compliance.

**The Public Servant of the Year Awards**, run by CIPFA, celebrates individual and team achievement within public services. The high profile awards ceremony is presented by well known television personalities. The ceremony has previously been attended by the Prime Minister, Ministers from key Departments and the Cabinet Secretary. A special supplement of Public Finance magazine profiles the winners. One option could be to add Charter Mark award categories to the Public Servant of the Year Awards. This would introduce a recognition element to Charter Mark and increase its profile, and thus the potential for Ministerial engagement. It would give fresh impetus to PSOY which could reach a wider audience, and strengthen the Cabinet Office connection.

**The Beacon Scheme**, owned by the Office of the Deputy Prime Minister, was set up as part of the modernisation agenda for local government to improve public services by recognising excellence and sharing best practice. The scheme has been running for 6 years and there have been 1200 applications in the first 6 rounds including 210 last year. The assessment process is extremely rigorous, and those with Beacon status have a responsibility to work with others to disseminate learning and stimulate improvement. There is enthusiasm on behalf of the Beacon scheme for closer working with Charter Mark, given the common emphasis on continuous improvement and outcomes for customers, and this could provide an opportunity to strengthen Charter Mark's approach to sharing best practice.

**EFQM** The EFQM Excellence Model was introduced at the beginning of 1992 and is the most widely used organisational framework in Europe, where it has become the basis for the majority of national and regional Quality Awards. It is a practical tool to help organisations establish an appropriate management system by measuring where they are on the path to Excellence; helping them understand the gaps; and then stimulating solutions. Self-assessment has wide applicability to organisations large and small, in the public as well as the private sectors. Increasingly organisations are using outputs from self-assessment as part of their business planning process and use the Model as a basis for operational and project review. Although external validation remains important, research with Charter Mark holders indicates enthusiasm for greater emphasis on self-assessment, and the EFQM approach is particularly relevant in this context.

## *Strengths and Weaknesses*

5.7 Charter Mark remains a unique quality standard with elements that differentiate it from potential competitors, in particular:

- It is a framework that acts as a 'route map' to good customer service;
- The criteria are comprehensive, and focused on continuous improvement;
- The standard is generic and applicable to all service areas;
- Eligibility is broad and covers (almost) all public service delivery irrespective of sector;
- However, the standard has a low profile and is perceived by many as out of date and old-fashioned.

5.8 Charter Mark compares well with other quality standards in terms of costs. At between £550 and £695 daily rate for accreditor services it is comparable with liP, Matrix and Customer First. It also offers free self-assessment on the Charter Mark website and does not charge for access to the standard. The Charter Mark website is accessed on average over 49,000 times a month and receives generally favourable feedback from customers. It is likely, therefore, that the influence and impact of Charter Mark extends beyond the area suggested simply by numbers of formal certifications.

5.9 The integrity of the Charter Mark standard is upheld by a rigorous assessment process, which is accredited by UKAS. This unique arrangement enables the Cabinet Office to maintain consistent quality across a high volume of applications. However, this rigour has cost implications for holders, who pay additional assessment fees for 'surveillance' visits.

5.10 The outstanding area in which other products out-perform Charter Mark is marketing and promotion, with less effective schemes making far more of the benefits of participation. Charter Mark undersells itself, with a formal website with little commercial appeal, and giving a low profile to benefits such as the PM's letter and customer-focused change. A new customer service standard could learn from others to satisfy demand for celebration of success and add value to holders.

### **Measuring Customer Satisfaction**

5.11 We have looked in some detail at the Canadian experience and, in particular, the Citizen First programme operated by the *Institute of Citizen Centred Service* (ICCS).

5.12 The mission of the ICCS is to promote high levels of citizen satisfaction with public sector service delivery. The ICCS seeks to achieve that mission by undertaking research to identify citizens' service needs and expectations, and by assisting the public sector in applying innovative service solutions which support quality service across all channels.

- 5.13 The Common Measurements Tool (CMT) was first released in 1998 as an easy-to-use client satisfaction survey instrument that would facilitate benchmarking across jurisdictions in Canada. The aim is that by using the CMT, public sector managers are able to understand client expectations, assess levels of satisfaction, and identify priorities for improvement. By using the questions set out in the CMT, jurisdictions can also compare their results against peer organizations, identifying best practices and sharing lessons learned.
- 5.14 Integral to the CMT are an analysis and identification of the 'key drivers' of satisfaction. The Cabinet Office commissioned work from MORI to test this approach in the UK and we have drawn on this material in making our recommendations.
- 5.15 We have also considered what lessons could be learned from the Canadian approach and during a series of one to one interviews with key stakeholders, we asked if there was a case for the Government to present a standardised approach to customer service measurement.
- 5.16 The majority of interviewees felt that there was a case for some consistency in approach and methodology. This could take the form of guidelines in approach with some standard questions, around which organisations could build and run their own surveys.
- 5.17 There was no appetite for a new centrally-run survey, with a standardised system across all public services. Many felt that this could be unwieldy and restricting, and could duplicate effort and, therefore, incur unnecessary costs.

### **Market Research with Charter Mark holders and the Public**

#### *Latest independent market research with Charter Mark holders/ex holders/others*

- 5.18 Independent market research with Charter Mark holders conducted as part of this Review revealed that Charter Mark had delivered many of the benefits that those going for it had hoped for: a better customer focus, better working relationships, improved morale, an enhanced profile with stakeholders and even as an aid to securing funding.
- 5.19 However, the independent market research also revealed the following perceived drawbacks of the current scheme including:
- Cost and lack of clarity about ongoing assessment arrangements;
  - Loss of high-profile celebratory event;
  - Lack of public kudos;
  - Some confusion over the real aims of the scheme;
  - Some criticism about overlap with other schemes.

*Some Focus Group Comments*

“It’s a customer focused standard – trying to engender a customer focus. Getting areas focused on the general public – why we are here, what service we are offering and how we take their needs into account.” (Current Holder, Public Sector)

“I had a vague awareness of it. I probably didn’t realise that it was about service – I thought it was around quality.” (Potential Holder, Private Sector)

“In John Major’s time, it was of a more substantial nature whereas it seems to have lost its way now. It was seen as something prestigious to have got whereas now, it seems to be ‘you can get it if you want but it is nothing special.’” (Potential Holder, Private Sector)

“It conjures up the image of the Cones Hotline. It’s sort of an era, and it may not now reflect the thrust of modern public service reform.” (Potential Holder, Private Sector)

“We wanted to put ourselves on the map a bit.” (Lapsed Holder, Public Sector)

“We looked at it shortly after an Ofsted inspection because I wanted something for us to work on together – so all the staff would be included and all of the governors....I thought it [Charter Mark] would involve the whole school community and it seemed important to do that after an inspection.” (Lapsed Holder, Public Sector)

“...to motivate the staff and make them feel we are delivering a good service and this is an independent body saying ‘yes, you are’.” (Current Holder, Public Sector)

The report from this research is at Annex 7.

*Independent market research with members of the public*

5.20 The research centred on the understanding that members of the public had of what constitutes good customer service and their awareness of - and attitudes towards - quality marks. The following were mentioned as indicating excellent service:

- a willingness to take ownership of a customer’s request or complaint;
- efficient organisation of resources to address the customer’s needs including accessibility and timeliness of response;
- consistency of service standards so that customers know the service they can expect;
- communication at all stages of the process in order to understand the customer’s needs, keep them informed of progress, manage their expectations and check on satisfaction levels;
- well organised after ‘sales’ service and complaints handling.

5.21 In terms of awareness of quality marks, or standards, the public were less convinced:

“ I’ve noticed them but I couldn’t tell you what they were for, you know it is like a little triangle with initials in it.”

“The problem is 9 times out of ten you can walk into a company and they have got plaques up on the wall saying ‘we got this, we got that’ you know nothing more about it. They could have gone to Joe Public up the road and said print this up for me.”

“I mean you wouldn’t book a holiday unless that was with a member of ABTA, would you?”

The summary report of this research is at Annex 8.

### **One to One Interviews with Key Stakeholders**

5.22 The one to one interviews were conducted with senior leaders of public and private organisations, inspectorates and quality schemes. These highlighted a number of positive elements of Charter Mark.

5.23 Those with experience of Charter Mark were positive about its value as a tool for improving customer service, and this increased depending on the level of direct involvement. Public service leaders equated it with continuous improvement, with several saying that it was a crucial part of the way they deliver their business. One contributor stated that its strength is in highlighting good performance in organisations that perform poorly overall, and several others emphasised the positive effect on motivation and staff morale. Those who did not have direct experience of using Charter Mark were less convinced of its effectiveness, and pointed in particular to lack of evidence to demonstrate its benefits.

5.24 As key stakeholders, representatives from the four current Charter Mark assessment bodies and the United Kingdom Accreditation Service were interviewed on a one to one basis. Individual assessors contributed through participation in the market research and also through individual commentaries.

5.25 The assessment bodies were enthusiastic about the standard. They acknowledged a vested interest in encouraging the scheme to grow and said that they would like more visible support from Ministers and stronger Cabinet Office led marketing. They also suggested that making a clearer connection between statutory inspection and Charter Mark would be a powerful incentive for many public service organisations. They highlighted some of the advantages of competition, such as innovation and the imperative to add value to customers. However, it was also evident that commercial considerations have prevented the assessment bodies working together to grow the scheme. There has also been little evidence of the assessment organisations aggressively marketing the scheme overall and understandably, where they have undertaken

marketing activity, they have tended to concentrate on their own service as a certification body rather than on the business benefits of the scheme.

- 5.26 Charter Mark assessors were consulted as part of the independent market research and several others contributed on an individual basis. As would be expected, assessors were strongly committed to Charter Mark and spoke of its effectiveness in driving continuous improvement. As a whole they thought that assessments added real value to applicants, but highlighted the need to be more focused on the benefits of the scheme. Whilst supportive of the ethos of a standard, many echoed the views of applicants in suggesting that recognition was important and a celebratory element for holders was keenly missed.

## **Compilation of Views on the New Charter Mark Proposition**

### **Positioning the New Charter Mark**

- 5.27 One to one interviewees that used Charter Mark spoke of it in terms of a standard, rather than an award. It is not seen as a 'badge', but a tool to drive improvement. Of those that had used Charter Mark, the consensus was that it did this effectively: many were advocates from personal experience. Beyond that, individuals had different ideas about how Charter Mark might develop, but there was consensus that its value should be measured by positive outcomes for customers.
- 5.28 The market research detected a very strong desire for recognition and celebration – but not as an end in itself. Participants thought that Charter Mark needed to demonstrate real benefits: these were identified as changes in practices and culture; improved staff working and morale; increased customer focus; improved consultation and better complaints handling.
- 5.29 A branding workshop considered in more depth how the new Charter Mark might be positioned in the quality awards and standards market. They concluded that the current product had a strong diagnostic element, a continuous improvement element (for first time applicants in particular) and - if a set of core questions on customer satisfaction were to be added – a measurement element.
- 5.30 The stakeholder event echoed these debates: there was disagreement over exactly what Charter Mark is and what it should become, although this may have been in part due to terminology. Again, there was unanimity that, to be worthwhile, Charter Mark must drive customer focused change within organisations and have a strong continuous improvement element. There was agreement on the principle of an overarching framework that was simple and clearly focused on customers.
- 5.31 Consensus was achieved that the three unique selling points for Charter Mark that should remain at its heart are:
- The fact that it is voluntary;

- That assessment focuses on front-line staff and the experience of the customer;
  - The pride it engenders in people delivering public services.
- 5.32 In addition to the views above, research was conducted into quality standards and award schemes, such as Investors in People; the EFQM Excellence Model; Matrix; Customer First; the Beacon Scheme; CIPFA Public Servant of the Year Awards and the Sunday Times 100 Best Companies, to gain a better understanding of the market in which Charter Mark operates and to inform discussion about a new customer service standard.
- 5.33 Although outstripped by IIP, EFQM and ISO in terms of volume, Charter Mark is a significant player with over 1452 current holders and around 700 applications each year. Charter Mark's current unique selling points include the following:
- It is a framework that acts as a 'route map' to good customer service;
  - The criteria are comprehensive, and focused on continuous improvement;
  - The standard is generic and applicable to all service areas;
  - Eligibility is broad and covers (almost) all public service delivery irrespective of sector;
  - The integrity of the Charter Mark standard is ensured by a rigorous assessment process which is accredited by the United Kingdom Accreditation Service.

#### *The Criteria and the 5 Key Drivers of Customer Satisfaction*

- 5.34 One to one interviewees broadly welcomed the proposal to focus Charter Mark on customer satisfaction. Many engaged with the concept of a customer satisfaction index and expressed enthusiasm for more and better measurement of what customers think of services. However, few supported the idea of a centrally-run, top-down mechanism and most resisted the idea of 'league tables'. In principle, however, most thought that Charter Mark could usefully incorporate some of this thinking and re-emphasise the centrality of outcomes for customers as part of the Charter Mark process.
- 5.35 The market research participants commented in more depth on the criteria. Tellingly, they suggested that there was not enough measurement of actual customer service, although they were clear that its overall purpose was to improve services for customers. Whilst some raised concerns about the current Charter Mark Criterion 6, these were practical rather than in principle. More talked about other areas that they thought should be added in, such as environmental responsibilities. There were specific suggestions on individual elements of the criteria.
- 5.36 The stakeholder group were very interested in this issue. They felt strongly that there was a real case for Charter Mark to be focused very specifically on customer experience, with satisfaction measurement

being a strong element of this. The five drivers were seen as a very useful model for the new Charter Mark, and there was a general consensus that extraneous issues, plus anything that is already tested through statutory inspection, should be outside the scope of the new tool: there was a wariness of 'accreditation creep'. Others disagreed and argued that the current criteria were well thought through and should not be discarded too easily. However, many participants warned of the drawbacks of using customer satisfaction alone as a measure of customer-focused public services and cited reasons why this could be misleading and lead to 'false positives'. It was also suggested the two areas of staff attitude and professionalism should be combined to increase the relative importance of staff behaviour.

### Sector Specific Variation

- 5.37 One to one interviewees were not asked systematically about sector specific variation, but several volunteered this as a possible option for the future of the scheme. In particular, sector specific guidance and/or terminology were suggested, rather than a difference in the actual standard. However, others were against variation, one making a case for learning from other sectors.
- 5.38 The market research indicated a willingness to explore the possibilities of sector specific variations to Charter Mark. Private sector participants in particular suggested that it was powerful to bring in the experiences from other sectors. Some public sector participants thought that a sector-specific element to the criteria might improve the scheme. In its current form it was seen to be more relevant to some sectors (such as health) than others (such as education).
- 5.39 Participants at the stakeholder event did not discuss sector specific variation in detail. It was commented that Charter Mark is a standard that all can aspire to, no matter how remote geographically the service is situated, or how unusual the service it provides. The group felt strongly that Charter Mark should not duplicate the work of inspectorates, and should develop an understanding of what these do – this could imply that the standard would need to be varied across sectors as different inspectorates have different remits.

### Benchmarking and Best Practice

- 5.40 One to one interviewees highlighted the need for better benchmarking and more effective use of best practice. One stated that there is scope for introducing Charter Mark satisfaction tools e.g. surveys. Others felt that the standard could be raised, either through the introduction of 'levels' within the standard and/or raising the pass mark.
- 5.41 Market research participants also favoured greater use of benchmarking and best practice. Notably neither was listed as a primary benefit of using Charter Mark, nor as an incentive to take it up initially. Mentoring by a comparable organisation was seen as a way forward – there was a perception that at present there is no encouragement for holders to talk to one another, and local support groups were suggested.
- 5.42 The stakeholder group also saw this as an area for improvement. It was recognised that benchmarking is important, but that norms vary between sector and location and therefore benchmarking within organisations was essential. Others argued that introducing a benchmarking aspect to Charter Mark would be too complex and was difficult to define. Customer service peer review was mentioned as an emerging model, as was publicising best practice identified through the assessment process.

### The Case for External Validation

- 5.43 One to one interviewees were asked about the principle of external validation, and the strong consensus was that this was vital, although it was not seen as precluding expanded self-assessment and internal assessors. In particular, the need for rigour and independence was highlighted by inspectorates as a prerequisite for their placing reliance on Charter Mark.
- 5.44 The market research highlighted that some holders felt that an important driver for using Charter Mark was to validate the assumptions they were making about customer service. Again, the external element was seen as important, although individual applicants queried how rigour and consistency was being upheld between different assessment bodies and different assessors within those bodies. Several mentioned that mentoring by comparable organisations and training of internal champions should receive greater emphasis. The feedback on both assessment and assessors was very positive.
- 5.45 The stakeholder group indicated strong support for external assessment and the desirability of third party validation. The argument was made that there is a benefit in the application process per se as it drives change, empowers staff and encourages ownership of customer issues.

### Assessment Providers

- 5.46 Although one to one interviewees were not questioned specifically about the mechanics of the assessment arrangements, those with direct experience volunteered that this was (mostly) positive. What did emerge was a commitment to individual providers, especially where these had

been selected through a procurement exercise. Removal of choice in these situations would be unwelcome. Where a commitment to one provider had not been made, in the case of Jobcentre Plus, there was concern about the differences in methodology of the four individual providers.

- 5.47 Within the Stakeholder Group, some participants challenged a possible return to a single provider, and asked whether this was necessary so soon after the introduction of choice for applicants. Individual contributors outlined the reasons why their organisation had selected particular assessment bodies and stated that they wanted choices that suited them. There was no consensus on the number of providers, but all agreed that consistency of assessment standards was essential.
- 5.48 UKAS are a well respected organisation whose involvement adds credibility to the scheme, and their perspective was explored through a one to one interview. There has been some evidence to suggest that it may be that the international accreditation standard currently used is too prescriptive and not sufficiently flexible to meet customers' needs: it is also possible that the current rules are being applied too rigidly by the assessment bodies and that greater flexibilities could be found within the existing system. Alternatively, there are a range of other options that could be explored with UKAS and their Departmental sponsor, DTi. This includes accreditation of in-house assessment teams and designing a new accreditation standard more specifically tailored to a customer service standard. UKAS were open-minded about designing new options, and highlighted that certification bodies can and should take other forms of assessment into account when conducting Charter Mark assessments.

#### *A Streamlined Assessment Process*

- 5.49 Individual interviewees made reference to online tools. Sheffield City Council highlighted the use they had made of electronic application and others said they used their assessment body's online tool.
- 5.50 In the market research there was a mixed response to the question of wider use of online tools: some thought this would be a helpful way of bringing in new assessors but cautioned against the loss of personal contact which was perceived as maintaining rigour. There was frustration with the limitations of the Cabinet Office self-assessment tool.
- 5.51 The stakeholder event touched upon this briefly: one applicant emphasised that they had actively sought an assessment body that enabled them to make a paper-based application, and they wished to maintain this choice.

### The West Lothian Model

Outlined in the one-to-one interviews by Chief Executive Alex Linkston was the innovative work done by West Lothian Council in mapping the elements of key quality standards and statutory inspection to create the West Lothian Assessment Model. The model streamlines the major tools - Charter Mark, liP and EFQM – into a single product. West Lothian is now exploring how this can be more efficiently assessed e.g. by developing teams of internal assessors, whose recommendations are externally verified via a light-touch process. This would be more challenging – not less – whilst at the same time reducing formal assessment costs.

### Corporate Programmes

- 5.52 The one to one interviews produced a consensus that corporate programmes were the way forward for Charter Mark, although it was noted that Departmental buy-in was helpful in this respect. Most notable were the direct observations of organisations using Charter Mark corporately: they highlighted the way in which it could be used strategically to drive a broader programme of change across the board, rather than piecemeal. Contributors from the assessment bodies saw this as the growth area of their business and were selling tailor-made programmes on economies of scale, consistency and benchmarking opportunities.
- 5.53 The market research participants described corporate programmes as the approach for the future. They noted cost benefits and improved outputs, and said that a corporate approach allowed direct comparisons of individual departments. However, they warned of the danger of a 'top down' approach and said that some would be wary of the high level of commitment that a corporate approach demands. One contributor noted that as a corporate approach could not be afforded their organisation had chosen to withdraw completely, as they wanted to avoid the impression of inconsistency. The burden of inspection was already seen as high and some organisations would be reluctant to impose further requirements.

### The relationship between inspection and regulation

- 5.54 In the one to one interviews, there was strong consensus that closer integration between inspection and Charter Mark assessment is desirable. This was repeatedly stated at both front line and senior level. All contributors pointed to the need to minimise the burden of assessment and reduce duplication by acknowledging the work of other bodies. Developing this theme further, those most closely involved with Inspection highlighted the need for rigorous assessment processes that demonstrated excellence in performance and satisfaction measurement.

Others suggested that the danger in this was that Charter Mark could develop too narrow a focus, and that inspection would move on - e.g. CPA might not be in its current form by 2008.

- 5.55 Similar messages emerged from the independent market research. It was strongly stated that Charter Mark's position in relation to other quality tools and inspection regimes should be reviewed to reduce overlap. Participants from all groups highlighted the need for streamlining, although there was a recognition that this would be difficult to achieve. Assessors said that they already take other inspection results into account, but highlighted that each standard has its own distinctive focus.
- 5.56 The views of a diverse range of stakeholders were consistent with the other strands of research. They suggested that the new scheme should avoid those areas already dealt with by inspectorates and focus on the customer experience. They believed that there were significant differences between Charter Mark and inspection, highlighting that Charter Mark is voluntary; focuses on customer experience; and engenders pride in organisations and front-line staff. They thought that these elements should remain at the heart of the new scheme and were sceptical of the practicalities of building Charter Mark into inspection, but thought that greater reliance could be placed on Charter Mark by inspectorates. The group agreed that Charter Mark should forge an 'adult to adult' relationship with organisations, rather than a 'parent - child'.
- 5.57 The principal objective of Charter Mark is to improve customer focus – and consequently customer satisfaction – within public services. This resonates with the aims of those; Inspectorates that include customer experience as a measure of performance. Where these areas of common interest are identified there is an opportunity to develop a partnership approach, maximising the impact of Charter Mark whilst reducing the burden of inspection for organisations. As definitions of what constitutes customer service diverge across inspection bodies there is an opportunity to use Charter Mark to harmonise these approaches.

#### Who should be eligible for Charter Mark?

- 5.58 Overall, contributors were open- minded about Charter Mark eligibility. Most said that they thought Charter Mark should be open to all providers of public services, irrespective of whether the provider was in the public, private or voluntary sector. This was seen to be a logical extension of the way in which public services are delivered, but also perceived to bring benefits of benchmarking and sharing best practice with the private sector. However, some expressed reservations about opening the scheme to applicants that were not delivering public services (e.g. banking and retail). There has been little interest from the private sector in using Charter Mark. The consensus view has been that they wish to differentiate the service they provide from that of the public sector and therefore would not want to be associated with a public sector scheme.
- 5.59 Despite the general acceptance of private sector participation, a strong theme emerged that questioned the value of Charter Mark to the private

sector. Many key interviewees thought that there would be little interest from private companies, a view reinforced by those from the private sector who emphasised that their direction of travel was differentiation. Being categorised with public sector organisations and competitors on the high street had negative connotations for them. The 'equity requirement' inherent in Charter Mark may be off-putting to private sector organisations. Opening up the scheme and then suffering from poor take-up was seen as a real risk.

- 5.60 A similar range of views was expressed during the market research focus groups. Private sector participants said that lack of public awareness of Charter Mark would be a disincentive for take-up, and thought that the scheme would have first to demonstrate that it makes a difference – especially to the bottom line. One argued that if it had value, it would be a compulsory requirement for bidding for Government tenders. Others said that an association with the public sector would be unwelcome.
- 5.61 The public sector participants had a different perspective: they were generally enthusiastic about extending eligibility so that the scheme was open to all. However, some feared that the private sector would have greater resources to invest than public sector counterparts, and that they were free from Government constraints, creating an uneven playing field. Others were sceptical that the private sector could meet the standard because of their emphasis on profit.
- 5.62 The stakeholder group did not comment on eligibility in detail but highlighted the difference between the sectors in terms of the choice for customers that was available. There was an assumption that the new scheme would be focused on public service delivery: this was mirrored by the strong support for Charter Mark remaining part of Government where it was perceived as best placed to drive the customer-focused reform.

#### Continuous Improvement and Benchmarking

- 5.63 During our one to one discussions with key stakeholders we discussed issues around the most effective way of encouraging continuous improvement. There was general agreement that this was important and that the setting of challenging targets and element of recognition and reward all had a part to play.
- 5.64 There were mixed views on the need for some gradation of the scheme (for example, into 'bronze, silver and gold'), with some suggesting that this could act as an incentive, whilst others felt that it could be interpreted as organisations offering a different class of service. But there was general agreement that there was an issue around how long term commitment to the current scheme could continue to lever further improvement. This was a key measure of Charter Mark's effectiveness. Many thought it already did this well, whereas others thought there was room for improvement.
- 5.65 Suggestions for improvement that were highlighted included the need for better benchmarking and more effective use of best practice. One person stated that there was scope for introducing Charter Mark satisfaction

tools, e.g. surveys. Others felt that the standard could be raised, either through the introduction of 'levels' within the standard and/or raising the pass mark.

- 5.66 There was general agreement that the celebration of success was an important element in motivating individuals and organisations and that these should form an element of any new scheme that was developed.

#### Branding and marketing of the new scheme

- 5.67 The opinions expressed in the one to one interviews were sharply divided between those who thought that the Charter Mark brand had intrinsic value and should not be lost, and those who thought that only a full re-branding exercise would make a difference. There were differences of opinion also on whether the brand needed to be recognisable to the public, or whether internal recognition was sufficient. Some contributors from the Devolved Administrations said that they would welcome branding with a regional dimension. In general, those closer to the centre had the least positive views on the brand, whereas those working with it directly were more positive.

- 5.68 The market research groups were more focused on marketing and the perceived lack of it. Holders thought that the marketing of Charter Mark was not sufficient and they felt let down by the Cabinet Office in this respect. They identified that the scheme was no longer high profile, and regretted that it did not have the publicity and active support that it appeared to command in former years. All agreed that the brand had little public recognition, and although few argued that this was important per se, they did think that this was indicative of the scheme being not well valued. Enthusiasm for Ministerial- and Prime Ministerial-involvement was very strong, and other suggestions included more press coverage, regular bulletins and seminars, advertisements and features in public sector magazines.

- 5.69 A workshop with the aim of clarifying brand values and creating a proposition for the new scheme moved the discussion on branding forward. The new vision for Charter Mark was outlined and a consensus emerged that the new product would be a continuous improvement tool that measured customer satisfaction rigorously and would be more comprehensive in scope than other 'competitors'. From there a new proposition was developed and a possible wording emerged: 'The complete approach to customer service excellence'.

- 5.70 The group concluded that the question of whether or not the Charter Mark name should stay would be influenced by the context in which the new scheme is likely to operate. With limited resources available, there was a case for focusing on marketing the new scheme using the old name, rather than investing in a complete re-brand with no continuity and marketing back-up.

- 5.71 Furthermore, current stakeholders retain the potential to advocate for or reject the new Charter Mark, and the equity associated with the Charter Mark name could provide a springboard for the new tool and foster goodwill rather than starting from scratch. From the evidence available,

the workshop concluded that the name did not deter applicants, but the low profile of the scheme reduced take-up. This pointed to a greater need for marketing the scheme.

- 5.72 To support the renewed marketing efforts of a re-engineered, re-invigorated scheme, a visual cue was necessary. Whether or not the Charter Mark name should stay, the group concluded that other elements of the current brand were outdated. It was felt that these elements should be re-worked as a clear indication that the scheme had moved on and refreshed itself, and had a clear purpose and set of values consistent with a cutting edge customer service ethos.

### *Sponsorship and Operation of the Scheme*

- 5.73 There was a lack of consensus over the issue of ownership of the Charter Mark scheme amongst one to one interviewees. Those in favour of retaining Charter Mark within Government said that the association with the Cabinet Office was very important, and that Ministerial involvement was a key benefit of the scheme. They pointed to the advantages of co-ordination with other Government policies.
- 5.74 Those who preferred an arms-length arrangement (such as setting up an NDPB) believed that this would give Charter Mark more flexibility and more visible independence. Several said that their preference was for Ministers to engage with and actively promote Charter Mark, but that if this could not be achieved then full independence was preferable.
- 5.75 The market research indicated that holders value the connection with the Cabinet Office and Ministers. One of their key complaints was a perceived lessening of Ministerial interest in the scheme: they viewed Government backing as hugely important and influential. Although there was some lack of clarity about what the Cabinet Office actually is, it was felt that the connection helped differentiate it from competitor schemes. However, there was awareness that the connection with Government left the scheme vulnerable to 'the vicissitudes of politics'.
- 5.76 An even clearer message on ownership emerged from the stakeholder event. There was wide consensus that Charter Mark should be a Government-owned tool to drive public services reform, and that the connection to the centre was an essential element of this. Holders expressed this view particularly strongly, emphasising the value of Ministerial support in motivating engagement. They said that the strength of the scheme lies in its close link with Government priorities and improving service delivery. The point was made that the Cabinet Office has a unique cross-government role and therefore is ideally placed to sponsor the scheme. The NDPB option was seen as potentially costly and would lose the connection with the development of policy at the centre.

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