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Government NEDs Research 2016-17

Analytical report

Prepared by ICM for the Parliamentary and Health Service Ombudsman (PHSO)

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Contents

Executive summary

This report presents the findings from a series of 14 in-depth interviews with key stakeholders across Central Government Departments and Arms-length Bodies (ALBs) on behalf of the Parliamentary and Health Service Ombudsman (also referred to as 'PHSO').

In total, 7 interviews were conducted with Non-Executive Directors (NEDs) from Central Government Departments and Arms-length Bodies (ALBs). A further 7 in-depth interviews were conducted with other senior stakeholders within arms-length bodies.

This research was designed to explore the views, expectations and concerns of Non-executive Directors (NEDs) in relation to learnings from complaints data, and to understand how different departments and ALBs use and engage with complaints data.

The interviews were carried out between 1 December 2016 and 25 January 2017.

Key findings and recommendations

The total sample size for this research was relatively small, and as such, the findings should be treated with caution. However, throughout the course of the research, a number of key findings emerged which were commonly mentioned by interviewees. As such, this report provides an overview of those findings which are clearly common to a number of departments and ALBs, and some initial recommendations for the consideration of PHSO.

As part of their role in providing advice and independent challenge to the main executive board, NEDs bring wide-ranging external experience and perspective to help their organisation achieve its strategic objectives. These objectives typically differ by department and ALB, often driven by the priorities of the current Secretary of State. Commonly mentioned board priorities include the re-organisation of government departments, major policy changes, digital transformation and dealing with the impact of the referendum vote to leave the EU. Depending on the level of 'front-end engagement' with customers that a department has, these priorities often need to be achieved whilst maintaining or increasing the quality of public service delivery.

Unsurprisingly, the level of direct front-end engagement has a strong relationship on how NEDs engage with complaints data. Where a department has a high degree of direct engagement with members of the public, NEDs are more likely to see complaints data as a crucial area to track and measure. However, in departments with a smaller role in direct service delivery, or with strong priorities in other areas, NEDs may have little engagement with complaints data.

Specifically, several NEDs in organisations which are heavily involved in the direct provision of public services (often ALBs) are already using a wide range of measures and insight based on customer and complaints data, and are likely to be aware of PHSO. These NEDs have specific requests on how PHSO can better support them – including a more collaborative approach to sharing best practice, and providing specific recommendations on how complaints handling could be improved.

However, in organisations less focussed on direct provision of public services, NEDs are unlikely to be the most effective advocates of using complaints data to identify and inform service improvement. A NED's remit does not cover the formation of policy and strategy, and they already have limited time and resource to devote to their role. As such, in departments where the existing priorities of ministers and executive boards do not focus on customer experience, NEDs may not be well placed to champion complaints data.

In these instances, the findings suggest that other audiences could also be worth considering.

Firstly, executive boards are typically more engaged with the day-to-day running of the organisation, which means this audience could be well placed to integrate complaints into their overall customer focus. PHSO would have to successfully emphasise the beneficial role customer complaints data can play as part of an organisations aim to developing their broader service priorities, such as digital transformations.

Secondly, in talking to other senior stakeholders in departments and ALBs, it quickly became evident that staff at a senior operational level within the organisation were often highly engaged with complaints data and keen to apply learnings from this data to the wider organisation. This is perhaps not surprising, as such staff immerse themselves in the customer service data rather than providing high-level external expertise, oversight and challenge. Nevertheless, the sheer level of knowledge of complaints data and enthusiasm for its use amongst this group was striking. With many organisations already containing this constituency of complaints data advocates, it may be worth considering how PHSO can support this group to implement and shape the transformation plans and ambitious targets they are responsible for delivering, whilst raising the profile of the complaints data as a source of key learnings.

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Introduction

This report presents the findings from a series of 7 in-depth interviews with Non-Executive Directors (NEDs) from Central Government Departments and Arms-length Bodies (ALBs), conducted on behalf of the Parliamentary and Health Service Ombudsman (PHSO). A further 7 in-depth interviews were conducted with other senior stakeholders within arms-length bodies.

This research was undertaken by the ICM Government & Social Research Unit.

Background and objectives

PHSO is the final stage for complaints about the NHS in England and about public services delivered by the UK Government. As such, PHSO is interested in improving both frontline public services and how organisations respond to complaints.

Among health service organisations in England, PHSO has produced comprehensive guidance on the handling and governance of complaints. However, across Central Government Departments (CGDs) and Arms-length Bodies (ALBs), a key challenge in using learnings from complaints to drive overarching improvements are the widely differing practices across different departments and bodies. This diverse range of approaches indicates that a mechanism is needed for co-ordinating engagement with complaints learnings across all CGDs and ALBs.

PHSO therefore commissioned ICM to conduct a series of in-depth interviews with NEDs across Government to understand their views, concerns and expectations in relation to learnings from complaints data.

The overarching objective of this research is to understand the potential for Non-executive Directors to support learnings from complaints data as part of their role in scrutinising organisational performance. In particular, the research aims to:

1. Build a picture of how NEDs across departments and ALBs view the role of the board in relation to service improvements and complaints;

2. Build a picture of current board practice across the sector with regard to the use of complaints data as part of service improvement activity;

3. Build a picture of how current practice compares to good practice.

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Methodology

In order to meet these objectives, ICM conducted a series of in-depth interviews with Non-executive Directors from Central Government Departments and Arms-length Bodies, with a particular focus on those organisations which deliver the largest range of public services.

Interviews with NEDs from Central Government Departments were set up via the Cabinet Office, while NEDs from Arms-length Bodies were recruited by ICM by contacting the relevant organisation. Interviews lasted between 30 minutes and 45 minutes in total. The majority of interviews were conducted by telephone, with 2 interviews conducted face-to-face.

In total, 7 Non-executive Directors or Chairs took part in the interviews and the final profile of participating organisations is provided in the table below:

Organisation
Home Office
Ministry of Justice
Department of Work and Pensions
Environment Agency
Planning Inspectorate
Driver and Vehicle Standards Authority (DVSA)
Children and Family Court Advisory and Support Service (Cafcass)

In some cases, additional senior stakeholders within ALBs expressed an interest in taking part in the research and providing feedback on how their organisation engages with learnings from complaints data. ICM therefore conducted an additional 7 interviews among senior stakeholders from ALBs in order to supplement the findings from NEDs and provide more detail on how organisations are using complaints data in their everyday work.

The profile of participating organisations is provided below:

Organisation
Natural England
Anonymous
Anonymous
Care Quality Commission (CQC)
Legal Aid Agency
Driver and Vehicle Licensing authority (DVLA)
Her Majesty's Passport Office (HMPO)

The interviews were carried out between 1 December 2016 and 25 January 2017.

Presentation and interpretation of data

In-depth interviewing is a qualitative research technique that involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, programme, or situation.

The primary advantage of in-depth interviews is that they provide much more detailed information than other data collection methods, such as quantitative surveys. Qualitative research is intended to shed light on why people have particular views and how these views relate to the experiences of the participants concerned. One to one interviews enable respondents to participate in an informal and interactive discussion and to allow time for complex issues to be addressed in some detail. It also enables researchers to test the strength of people's opinions. This approach, in other words, facilitates deeper insight into attitudes underlying the 'top of the mind' responses to quantitative studies.

However, there are limitations and pitfalls to in-depth interviews, which need to be borne in mind when analysing the data.

Firstly, the data is not generalisable or quantifiable. Because of the small samples and non-random selection processes involved, the findings from in-depth interviews are not necessarily representative of all NEDs. However, when the same themes, issues and topics emerge from a number of interviewees, we can be confident that findings have sufficient weight to be included in the research. As a general rule, ICM considers it necessary for a minimum of two to three participants to raise the same topic for it to be reported on. The only exception to this rule is if one participant says something that is considered particularly interesting or noteworthy; on these occasions, the finding is reported on, but it is made clear that this is not a widely supported opinion.

Secondly, as with all interviewer-administered research, in-depth interviews are prone to interviewer effects and bias. At ICM this risk is minimised by a small team of highly trained, senior and experienced researchers conducting all of the interviews. All researchers adopt tried and tested verbal and non-verbal interviewing techniques to avoid bias and place the interviewee at ease.

In addition, for this research, the relatively small sample size of 7 interviews means that the findings should be treated with caution. While this report can offer a summary of the research undertaken among this group and provide some understanding on the views of NEDs in key departments and a range of ALBs, those not participating in the research may hold different views; as such, the findings should be treated as indicative only.

Whilst not featuring heavily in the analysis presented in this report, the 7 additional interviews conducted with non-NEDs provided a valuable perspective for analysis, and help give greater confidence in the conclusions presented. These interviews provided a broader body of evidence to corroborate the core findings from NEDs, as the senior stakeholders interviewed had knowledge of board priorities and a considered view on the value of complaints data to the organisation as well as the perceptions of this data at board level. Secondly, interviews with non-NEDs provided a useful comparison point to the NEDs interviewed. This was especially valuable to inform the recommendation around appropriate audiences in organisations less focussed on the direct provision of public services.

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Verbatim comments from the interviews with NEDs have been included within this report. These should not be interpreted as defining the views of all participants but have been selected to provide an insight into a particular issue or topic or to illustrate a broader thread of opinion.

Acknowledgements

ICM would like to thank the PHSO Insight team for their help and support in developing this project. Special thanks go to the Non-Executive Directors and additional stakeholders who took part in this research.

1. Board and NED priorities

This chapter examines the Board priorities of government departments and ALBs, the specific role of NEDs in supporting their boards, and how customer feedback and complaints data is viewed in the context of other priorities.

1.1 Overall priorities

NEDs outline a range of board priorities which are relevant to their work. However, scrutinising the financial and operational performance of the department or body is frequently mentioned, and clearly forms a key part of NEDs' remits. Alongside this, change management and transformation are another key theme, and many NEDs are closely involved in projects which are re-shaping the way their organisation works.

> *"On the one hand, looking at the operational and financial performance of the department and ensuring that the risks associated with that performance are well understood and that mitigations are in place to manage that risk. That tends to focus in on the business as usual activity of the department. Alongside that, then there's a whole raft of significant change programmes. Whether that's the restructuring of the estate, or the deployment of new policies etc. So, a whole series of programmes, which we review on a regular rotating basis. Then, there are thematic things that we'll come into which is reviewing risk and performance around technology, around people, around operations, around commercial strategy etc."*

> *"Quite a lot around some major government change projects that are going on, such as re-organisation of government departments, funding changes, major I.T programmes. We're always quite conscious of the importance of maintaining the capabilities of staff, and that they are properly rewarded."*

Specifically, many departments and arms-length bodies are working to improve and modernise their digital systems, both at the back end and at the customer interface. This is thought to be a key task in making overall improvements to an organisation's way of working, but also in providing a better experience for customers and service users.

> *"I need to run a very effective operation, but at the same time, have a very clear line of sight on what my transformational ambitions are. That picture of the future that I mentioned, what does that look like? What does an end-game performance process look like? How do we embrace digital techniques?"*

> *"Another priority is changing the operating model for the organisation, modernising its digital interface with customers, and really ensuring that it sticks to purpose for this kind of whole new environment we're all heading into."*

> *"Our transformation project was essentially digitising and getting a much better way of working, based around teams rather than sequential cutting of hard copy files from one person to another. So, that whole transformation has been going on for eighteen months now, and we've seen gradually the backlog reducing."*

In many organisations, recent policy changes have added to the complexity of the work they undertake, while the upcoming Brexit is also likely to have a wide-ranging impact on the work of all Government departments and arms-length bodies.

> *"Apart from the normal changes which come through other changes in government and department policy, and funding, we've also got the Brexit changes coming towards us as well."*

> *"One priority is obviously the changing policy landscape… So, that's something that we are very alert to, how the policy landscape will change demand. The next one is the impact, obviously, that Brexit has had, particularly on national infrastructure decisions. Also its impact generally on the economy and how that is accelerating or decelerating in some areas the investment intentions and therefore the planning intentions."*

Overall, there is a clear sense that many government departments and bodies are currently facing a challenging situation. Several NEDs suggest that their organisations are dealing with a number of competing priorities and must balance their drive for improvements with managing demand, dealing with scrutiny and continuing to deliver their core work. The challenge of managing demand in the context of reduced resources was also highlighted, alongside the need to do more with less in order to meet these competing priorities.

> *"The whole kind of balancing of workload, managing demand, workforce planning, at the same time as dealing with ministerial scrutiny, when ministers are constantly saying, 'When is this backlog going to disappear?' Then how we communicate with stakeholders that we are trying to rectify all of these things, the kind of 'please bear with us with all of these changes going on'. Also, making sure that there is a good service to the customer whilst all this is happening."*

1.2 Role of NEDs

While the role of a NED can be perceived as a broad one, there is a clear consensus among NEDs about what their core role involves. Specifically, NEDs tend to describe their role as providing advice and independent challenge to the main executive board.

Typically, NEDs bring wide-ranging expertise and experience from roles in both the public and private sector. This diversity of backgrounds is widely perceived to be a strength of NEDs, and many draw on their experience from other organisations to question the work of the executive board and provide new ideas and ways of thinking.

> *"It's about understanding and positively challenging, strategy, performance, delivery. It's about advising and bringing different experiences to bear. It's about helping the executive around the whole range of general subjects such as talent development, measurement mechanisms etc. Ultimately, it's a broad role."*

> *"I think that we have quite a diverse board, with different backgrounds, so we would apply that knowledge and background in questioning the executive directors on the proposals they put forward to us. The good questions are those that either encourage the executive directors to think a bit differently, or actually are testing an area that they might not have thought of."*

Some NEDs also underlined the importance of the relationship between NEDs, Boards, and ministers in driving improvements within a department or ALB. As a result, personnel change (whether among ministers or executive Boards) can present a real challenge for NEDs; particularly when formal board meetings are relatively infrequent, it can take time to build a new relationship with new ministers and executive Board members.

> *"You build up credibility with boards, and the challenge of course as ministers and personnel change, you've got to build up that credibility again. So driving service improvements is the responsibility of the board, but you can't jump from all new ministers and new experience to just saying, 'This is the way it works.' You have to build up that credibility."*

However, in this context, it is also clear that the strategic direction and policy for each organisation are set by ministers and executive Boards. In contrast, NEDs tend to see their own role as providing support on how these goals can best be achieved, focusing on how

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the organisation delivers on its overall strategy. Indeed, several NEDs explicitly stated that strategy development was not part of their role.

> *"The role doesn't focus on strategy development because actually that comes from policy, which, obviously, is the remit of the secretary of state and his ministers."*

On the other hand, it is also clear that NEDs are rarely involved in the day-to-day detail on how the organisation is run. Notably, many NEDs trust that the executive Board and senior managers within the organisation are well placed to deal with the everyday functioning of the organisation, and would highlight any particular concerns if necessary. Instead, NEDs believe that they are best able to add value by providing high-level advice and challenge on operational delivery.

> *"It's a question of saying, 'Have you thought about this aspect?' or, 'How are you going to communicate that? Which stakeholders are you going to deal with?' Those sorts of questions, because the business is well run, so we don't have to get deep into the nitty gritty of the decisions they've been making."*

One NED also highlighted the fact that Government NEDs do not hold the same level of legal accountability as their counterparts in the private sector. As a result, they are less involved in the type of regulatory and compliance work that is common in other sectors.

> *"Unlike a private sector role, there are no fiduciary responsibilities and I'm not a true director of the business. I do my role here in exactly the same way as I do it elsewhere, but the difference is the lack of legal accountability and therefore it's not necessary for me to go through the amount of, for example, regulatory compliance that you do as a director of a bank."*

1.3 Improvement of public services

Public service improvement as a priority is often considered as part of wider programmes around performance management, or transformation and change. However, unsurprisingly, the level of priority given to public service improvement tends to differ between organisations, depending on their level of customer focus.

In most organisations, public service improvement is not delegated to a specific sub-committee, but remains a collective responsibility, or one that is considered by a range of different committees including risk and audit or performance for particular service areas.

> *"Customer data is a collective responsibility. There are some things that are specifically allocated, technology or audit committees. We all share a collective*

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responsibility of looking at performance across the board. We'll all have had experience in our various businesses about the importance of managing customer relations."

"I chair something called the performance committee which was set up specifically to drill into the performance of individual streams of activity which were considered of ministerial importance."

Few organisations have a specific sub-committee relating to quality of customer service, although one NED does highlight a relevant sub-committee within their organisation.

"There is a committee which I chair, which is the Customer Quality and Professional Standards Committee which has been in existence for some time. Its job is to spend the required amount of time to give the due scrutiny and consideration and debate around all things relating to customer quality and professional standards. Whether that's complaints, litigation, the backlog, the wait times, the efficiency of the system, the web-based interface, the customer feedback, the stakeholder surveys that we do. It's quite unlike any other board."

1.4 Perceived importance of customer feedback

The majority of NEDs consider customer feedback to be important and relevant data, and there is a general expectation that their organisation would monitor customer feedback on an ongoing basis. Complaints data specifically is often perceived as a sub-set of customer feedback overall, and is widely considered useful where it can help identify service issues or underperformance in a particular area.

However, there are mixed views on the level of priority which should be given to data on customer feedback. In some organisations, it is seen to be one of many different priorities, and is consequently perceived to be less important compared to other areas.

The reasons underpinning this perception vary across different departments. For some of the major government departments, high-level priorities relating to security and public safety take precedence over customer feedback on services; for others, there is simply a perception that their organisation is already performing well, and that they are closely monitored at other levels for the organisation in case of any emerging issues or concerns.

"Complaints are a fact of the business, and they are monitored at the executive team level, and they're also monitored at area management team level. Not a big topic for the board, I think, and they're equally not for audit, because compared to the other issues we have, the customer service, performance, and complaints levels are good. If we thought the service was poor

> *we'd be wanting to look at it in more detail, but as it is, you only have limited time available, and you need to prioritise the things where the board can have the biggest impact."*

That said, several other NEDs see customer feedback as a critical priority. In organisations where there is a culture of customer focus and service improvement, feedback is widely perceived as a vital tool for connecting organisations with their customers. Among this group, there is a view that feedback and complaints data can help identify specific areas for improvement and inform a full redesign of products or services which are not working for customers.

> *"I think customer feedback is absolutely critical. I think that all boards should be speaking to the organisation to continually improve its customer service, its customer experience. I've had a career in the private sector where the customer is king, as it were – you don't financially survive unless you focus on the customer. I believe that is as critical in public services as it is private sector delivery."*

Indeed, one NED also highlighted the fact that the organisational response to complaints can sometimes be defensive. They suggested that moving beyond this reaction to gain a broader understanding of complaints is a key cultural change, and that this needs to take place across many levels of an organisation in order to ensure that it can gain full value from any learnings from complaints data.

> *"If you're an active board member, and what you're doing and the quality of the service is important to you, as it should be to any board member, I personally see the use of complaints data as an absolute key driver for this improvement. It's so easy for the organisation in my experience to go into defensive mode about complaints, because there are always things that might have happened that in retrospect you wish hadn't happened like that, or one member of staff who just didn't get it right on the day. I think if you can get through that defensive sort of response, and actually see complaints as a really important component part of service improvement, and if you can inculcate that into the mentality of the organisation, then I think that's a much more positive way of looking at it. That's really part of what the Board's been trying to do."*

2. Current use of complaints data

This chapter examines how, if at all, NEDs currently use complaints data, what benefits it can offer, and what challenges there are in using it.

2.1 Overall engagement with complaints data

Nearly all of the NEDs taking part in this research make at least some use of complaints data as part of their roles, with only one NED reporting that they don't utilise any complaints data at all in fulfilling their role.

However, the level of engagement with complaints data has a high level of variation by NED and department. Some boards have in-depth reporting and discussion of a range of complaint metrics including volumes, underlying cause, and timeliness in dealing with the complaint. At the other end of the spectrum are those NEDs who would very rarely come into contact with complaints data. In these cases, it is possible that complaints data is only brought to the NED's attention if there has been a large change in volumes or complaints or other measures on the executive Board's KPI dashboard.

> *"Most non-executives will have an understanding of multiple systems for complaints management. In fact, I look at complaints management five times because I've got five non-exec roles. They're all different, and that's all good. It allows a different level of insight into what's important."*

2.2 Types of complaints data currently used

Individual complaints are rarely, if ever, brought to the attention of NEDs. The only exception is if a complaint is given prominence in a Parliamentary Question (PQ) raised by an MP.

> *"Customer feedback, as it were, or customer enquiries, complaints, come to us through a number of different ways. We get FOI requests, and they come through PQs a lot, which is the big thing that we have to deal with. This is when someone has complained to their local MP, and you then get a parliamentary question. So that's another route of complaint."*

Most of the time, NEDs will engage with aggregated complaints data. The exact metrics used vary by department, but in most organisations the board pack will include some core measures focusing on complaints – these will typically include data such as overall level of complaints, and in some cases breakdowns of the data, e.g. by service area or region.

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"[In the board pack] you've got segmentation by service line. You then have the number of complaints, the resolution time to complaints, the backlog. Is the backlog growing or reducing? Time taken, and obviously, trending data, trending analysis across all those sorts of things. There's a particular page in the board pack that almost does an aged analysis of complaints and there's certainly a number of levels of escalation and there are banding or tiering off that, if my memory serves me well."

"Complaints data metrics come out of the executive management board, which happen weekly or fortnightly, but we as NEDs cycle through them depending on what the key focus is. So it actually may be that I see it rarely, but it comes up more often – it's just that we're only seeing it rarely because we don't keep going to the same meetings, if you see what I mean.

2.3 Reasons for using complaints data

Board priorities dictate the measures selected for consideration by the board, and as such, whether complaints data is appropriate as a key measure of performance. Where service improvement is a current board priority, NEDs tend to be very aware of the total number of complaints and monitor these on an ongoing basis as a core metric.

"The reality is that public service delivery is very, very variable and boards will focus on complaints data depending on how front-end focussed they are as a department. But with our department, I just don't think it's necessarily the right question to be asking."

"I think that if you're an active board member, and what you're doing and the quality of the service is important to you, as it should be to any board member, I personally see the use of complaints data as an absolute key driver for this improvement."

Complaints data is not only utilised as a monitoring metric, but also as a target and measure of success in transformation programmes. Departments and ALBs who treat complaints data as such clearly view complaints data based metrics as a core measure of success on their customer service transformation programmes. One senior stakeholder in an ALB outlined the five targets in their transformation plan, all of which were focussed around customer complaints:

"Effectively we are looking to achieve, by improving the service we provide:

- *a reduction in the overall number of complaints the agency receives*

- *a reduction in the number of escalations to the second tier*
- *a reduction in the number of referrals firstly, and the number of referrals investigated and upheld by the PHSO*
- *a reduction in the number of compensation claims we receive*
- *to be in a position to obtains the customer services excellence accreditation by 2018."*

"The chair personally looks at the complaints monitoring reports, and he's nominated a member of the board to have oversight of the area, be a champion. So when the thematics come out, and there are various things that reoccur time and time again, that board member is the person who can advocate change and say actually we really do need to intervene on X and I want to see what's happening on that."

2.4 Reasons for not using complaints data

Depending on the nature and structure of the department, some NEDs report not making regular use of complaints data and do not believe it is relevant in their role. In one government department, a NED was of the opinion that complaints (and associated data) should be dealt with only by relevant arms-length bodies with their own independent boards. In circumstances like these, NEDs may struggle to see the value in them considering complaints data, as they believe this is done elsewhere.

"Why would you have one board overseeing another board? That's creating layers of reporting for the sake of it."

Some NEDs report rarely using complaints data, but this is not due to the data being held to be of low value. Rather, these NEDs believe that the executive board is the appropriate body to be monitoring and interrogating complaints data, and trust that they will escalate important issues revealed by this data to the NEDs if it arises. This means that NEDs with this outlook will only be looking at complaints data if there are concerning trends or developments shown by the data. Otherwise the complaints data does not progress beyond the executive board.

"If we thought there were a lot of issues, we would want to know about them, and if we thought there were issues we would probably also commission an internal audit report about it, but because it's generally been pretty good, it hasn't been on our radar to do that."

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2.5 Challenges in using complaints data

While receiving user feedback on services is generally perceived to be important, several NEDs highlight the fact that complaints data is just one type of data among many others.

With many NEDs seeing their role to exercise challenge and oversight to the department or ALB, there is a balance to be struck on the metrics included for regular consideration by board members. On the one hand, there is a need for an appropriate level of detail in order to monitor changes in performance. However, more than one NED emphasised the limited time they are expected to dedicate to the role, and hence the need for a concise set of measures. It is not always the case that more measures and metrics increase rigour and oversight – instead it may lead to complacency and a lack of understanding in the face of 'data overload'.

> *"There's always a trend in any executive to provide too much data to non-executives so it can almost camouflage the issues. We have, certainly, over the last four or five years, reduced the volume of data, in order to increase the relevance of the data that's presented. I'm sure that the department can produce a 1,000-page pack without any difficulty at all but the size of the monthly pack is about 15, 20 pages. That has to be at the right level because if it's too detailed there's a danger that you don't see the wood for the trees. We are only interested in material variances. Of the thousands of customer complaints in 2012, I'm only interested in the fact, is that numbers coming down or what's causing it to go up? At a macro level. I'm not interested in number 728, and quite rightly so.*

NEDs therefore stress the need to focus on the information which is most relevant to the organisation's immediate priorities.

NEDs often seem to take a realistic view of the challenges and opportunities of using complaints data. None of the NEDs who were asked directly said feedback and complaints data was not important – although one did note that it was not the job of a NED to look at complaints data. There is an understanding that often the value of complaints data is in the detail, yet it can be difficult to efficiently distil these insights from the vast amount of data available. In addition, several NEDs highlighted the issue that a large proportion of the complaints received are from people unhappy with a very specific outcome or decision– e.g. complaints about failing a test or about a policy decision that affects their local area, etc. This can limit the suitability of complaints data in informing improvements to service delivery more generally across a large organisation. When complaints tend to reflect the views of only part of a department or ALB's customer base, there are natural concerns over using complaints measure to track and evaluate performance.

> *"We're obviously working in a highly emotional and contentious area, and that obviously has an impact on the nature of the complaints we receive."*

Another challenge in using complaints data is that it may not cover a department or ALB's full legislative remit. One of the NEDs noted that many customers interact with the department through third parties – over which the department has legislative authority but not customer satisfaction authority. This divide between legislative and customer service authority is seen to limit the ease with which complaints data can be used at NED level in certain areas.

> *"So this ALB is a very complicated business, and particularly complicated when you start talking about customers, because we have a very wide variety of customers who interact with us in different ways and some of it is through authorised third parties, over whom we have legislative authority but not customer satisfaction authority, as it were."*

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3. Future use of complaints data

This chapter examines the future opportunities for using complaints data in government departments and ALBs, both among the key target audience of NEDs and in other parts of their organisations.

3.1 Future opportunities & challenges for complaints data amongst NEDs

As previously noted, the priorities of boards tend to dictate the measures selected for consideration and tracking. As such, it is perhaps not surprising that the level of interest in doing more to use complaints data to drive service improvements differs widely across the NEDs interviewed. While some organisations feel it would not be useful to them due to the lack of front-end focus in their organisation, others say that it could be useful in some circumstances, if support was tailored to the particular needs of their organisation.

Amongst those NEDs and organisations identifying future opportunities to increase the use of complaints data, two related themes emerge.

The first is to utilise qualitative, as well as quantitative complaints data, within board packs as part of the NED's role. This sentiment is expressed by NEDs in a range of ways, but featured prominently in one interview as the desire to move away from just using operational 'input' measures, and more towards custom 'output' metrics.

> *"Actually, what we're now trying to do is move to, perhaps, a more sophisticated form of measurement tracking, which is about outcomes rather than input. An example of that would be, actually, you can measure the time it takes to pick up the phone and how long that call takes and whether or not that problem is resolved. Actually, isn't it more effective to measure the outcome and quality of the conversation in a way that actually allows you to think that when the customer hung up, that actually he or she was broadly happy with the process, happy with the content?"*

The second related theme clarifies the desire for more 'outcome' based measures in complaints data. NED's often recognise the sheer volume of available statistics and measures available from complaints data but feel that this detail often lacks the vital context necessary to understand the complaints and make decisions on that basis. NEDs who currently recognise and utilise the value in complaints data are looking for additional context to this pre-existing data to facilitate better understanding and evidence-based decision making.

> *"Replacing purely quantitative with purely qualitative would only mean that you're only seeing one side of the coin. You need to see both sides. One would put the other in context. "*

"Certainly in the first couple of years when I was here, although the reports that came to the board, they met the sort of requirements in terms of, here are the number of complaints we're getting and this is what we're doing with them, these are the numbers that are upheld... I just felt there wasn't enough qualitative analysis, number one, and number two it just wasn't clear enough to me what the organisational learning and the feedback loop. So really I suppose I feel that the board and I, that's what we've been pressing on for the last two or three years. "

Nevertheless, there is a need to be careful in not overstating the desire for more complaints data amongst NEDs. As noted above, NEDs do not work for their organisation on a full-time basis, and are already often presented with a vast range of data for review. Whilst they may appreciate arguments for greater use of complaints data, they will be reluctant to simply add additional metrics and measures to board packs, without a pre-existing measure coming out.

In addition, ceasing to monitor and report on measures that are less insightful can be politically difficult, especially if the department is seen to be struggling on that particular measure.

"We're really trying to dig under the waiting times because we see a window of opportunity. What we said was we'll get it right down, then we'll do some proper examination of what the most meaningful measure is, and then we'll change the measure. So we won't change it while we're failing it, we'll crack it first and then we'll say, 'Actually, this measure is not really measuring the outcomes for the customer that you think it is, that you want.'"

Given the constraints of NEDs' limited availability and the lack of space in board packs, it is also difficult for some NEDs to justify increased focus on complaints data if their organisation is perceived to have more important measures of success.

"There are so many other priorities, you're talking crime or terrorism or security. It's not that it's not important, but it's not like we're Capita, where the whole focus is on the service you give your customers. It is important but it's one metric amongst many."

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3.2 Future opportunities for PHSO to assist NEDs

There is some interest in best practice and learnings from other organisations amongst NEDs when it comes to complaints data. However, this should be approached as informal engagement and should not add to the overall burden of responsibilities on the organisation.

> *"I suppose it's the sharing of knowledge and understanding and detail around cases that you're dealing with that intersect with different government bodies and NDPBs particularly. To learn and understand and change based on a particular complaint to the Ombudsman."*

Increased collaboration is a key area in which NEDs think they could benefit from PHSO. There is currently a perception amongst some NEDs that PHSO fulfils its role as an independent complaints handling service, but could do more to spread best practice and work together with departments and ALBs to learn from complaints.

In particular, certain NEDs have felt that their organisation has been 'ranked' against others or had judgement passed on it by PHSO without accompanying dialogue and constructive advice on how it can perform better in the future.

> *"I think it's finding a way to make that data real rather than just a hierarchical list of who does well and who doesn't. To say, 'This is some of the best practice stuff that we found, if this works in this organisation,' or, 'Emma and Jane having the same issue in this and what they've done is X.' Kind of joining it up, if that makes sense."*

One specific recommendation was for PHSO to adopt a system of 'hot debriefs' – whereby after a significant ruling on a complaint, PHSO debrief the relevant organisations and facilitate a dialogue on what could have been done differently.

> *"I come from a sector which does 'hot debriefs'... After an incident, the crew would come together and talk about what happened and what didn't go so well and what they could have done better. That was just such a huge learning exercise, when you have a major event that is being played out and a number of enquiries, you have a multi-agency debrief. That's where you can get the best learning, I think. The Ombudsman should facilitate that. I think they should, with each organisation, say, 'Okay, we'll have a debrief session now. This is what we found. This is how it works. These are the areas where you might have considered operating differently.'"*

3.3 Future opportunities for complaints data amongst non-NEDs

In discussing the roles of NEDs above, there is clearly a recognised difference between the role of the non-executive and executive boards – which is perhaps most pronounced between NEDs and the Secretary of State. The decision on the overall aim and direction of a department or ALB is viewed as the remit of the Secretary of State, ministers, and/or senior civil servants. The NED's role is to advise on and enforce the strategy to achieve these defined aims. As such, if the Secretary of State does not define aims for the organisation for which complaints data is integral or desirable, then the NEDs will not be focussing on it.

"Complaints data tends to stick at the Director General level and they've got all sorts of metrics in place… but it tends not to raise up to either me or the board. It might be, like, one line [in the board pack]. I think that's down to the Secretary of State, because the Secretary of State sets the agenda, because she chose the members of each main board."

This suggests that stressing the importance of complaints data amongst the Secretary of State, Director General (DG) and executive boards may well have a 'knock on' effect for NEDs. However, this evidence also demonstrates that complaints data may already be central in public service delivery, albeit away from the central role, remit, and oversight of NEDs.

DG level in particular could be worth further consideration. Whilst a NED's role could be characterised as providing an external perspective, the role of a DG could be considered as more immersed in the organisation and its customers. This can be quite easily married with a sharper focus on customer complaints.

One DG reported not only a close focus on aggregated complaints data, but also the value in direct complaints to him personally.

"For me, it's a basic job philosophy... activity like the contact centres and complaints data need to be sat in the middle of the table in the boardroom. It needs to be the middle of an organisation, not at the extremities. The things that come in to my inbox, where customers are at their wits' end and have nowhere else to go so run right to me, that's part of the feed of info."

There are often senior staff below board level in departments and ALBs that are not only responsible and accountable for analysing complaints data, but are also passionate advocates of its use. They are often involved in long-term transformation programmes to bring complaints and customer service data to the forefront of service provision within their department, and are actively looking for external guidance and expertise on how to best achieve this.

"What I want to do is create that more positive environment where frontline staff can be heard and responded to and actually considered, in a continuous improvement cycle on behalf of the customer. They're the ones who contact the customers and hear it and touch it and feel it. We don't necessarily link back to the people who are actually doing it."

"I think overall there's learning to be done from all complaints. I'd strongly agree that insight from complaints can improve quality of a service and identify areas for service improvement."

The sheer enthusiasm of this group suggests that PHSO may wish to focus on them and continue to support their efforts at raising the profile of complaints data within their organisations. Senior staff working in complaints and customer experience across departments and ALBs are often responsible for suggesting the policies and changes where it comes to driving service improvement through complaints data. With these senior staff already convinced of the value of complaints data, it may be worth considering providing targeted support and guidance to this group, helping achieve best practice when implementing projects and fulfilling their responsibilities.

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