

THE CITIZEN'S CHARTER: THE UNITED KINGDOM'S COMMITMENT TO CUSTOMER SATISFACTION IN THE PUBLIC SERVICE SECTOR

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ABSTRACT

In July of 1991, John Major, the Prime Minister of the United Kingdom, introduced the Citizen's Charter, a public policy devoted to giving citizens more power in the market place; a policy for "raising the standard of public service, up to and beyond the best at present available;" and a policy which would set out the mechanics for "improving choice, quality, value and accountability" within that marketplace. What it was not intended to be was a recipe for state action or public agency intervention in the marketplace. The purpose of this paper is to review the initial charter and to describe the first year of its implementation in the British market place.

Editor's Note: Because so many of the citations are to government and public documents having similar titles and not listed by author, an alternate citation format of (x:y) is used where "x" is the number of the reference in the list of references and "y" is the page number within the reference. (2.2), the first citation, refers to the second reference, page 2.

INTRODUCTION

In July of 1991, John Major, the Prime Minister of the United Kingdom, introduced the Citizen's Charter, a public policy devoted to giving citizens more power in the market place; a policy for "raising the standard of public service, up to and beyond the best at present available;" and a policy which would set out the mechanics for "improving choice, quality, value and accountability" within that marketplace [2:2]. What it was not intended to be was a recipe for state action or public agency intervention in the marketplace. The purpose of this paper is to review the initial charter and to describe the first year of its implementation in the British market place.

The method of research included an in-depth review of (1) the public documents that led to the

conception and implementation of the program, (2) the public documents of those institutions created to administer the program and (3) the private documents of independent institutions assessing the performance of the program, and conducting interviews with administrators of the various institutions involved.

HISTORICAL BACKGROUND

For many years, much of British industry has been owned and operated by either national, regional or local government with considerable emphasis on the provider side of the market place, e.g., employment, working conditions, compensation and related topics rather than on the consumer side. Included in the public ownership of industry were such industries as health care, steel, coal, schools, railways, and nearly all utilities. More recently, under the initiative of Prime Minister Margaret Thatcher, the British government began to pursue a policy of *privatization*, restoring many of these industries and institutions to the private sector in the belief that *market driven forces could dictate more effectively such things as quality and price, thereby generating more satisfaction to the consumer*. However, many industries and institutions would remain in the public sector -- at least for the time being -- such as British Rail, the National Health Service, the Post Office, the London Underground, public schools, housing owned and operated by local authorities, and others.

In these public service industries, it was recognized that the products or services offered were paid for by individual consumers, either directly through established prices or through fiscal policies (taxes). Inherent within this belief, however, was that these consumers were ". . . entitled to expect high-quality goods and services, responsive to their needs, provided efficiently at a reasonable cost. . ." and done so ". . . fairly, effectively and courteously" [2:4]. It was also recognized, that as is true of nearly all monopolies, publicly-held monopolies can abuse

their privileges: trains would run late, patients would wait months for basic surgery, parents were not notified by the schools their children attended as to the progress of those children, and so forth. The government began a policy in the 1980s of privatization in a way that promoted -- and continues to promote -- direct competition among providers as far as possible, in the belief that *increased competition would increase choice on the part of consumers*. Consistent with the *Marketing Concept*, the government recognized that *competing institutions in a free market system must strive for and maintain consumer satisfaction or they will cease to function within that marketplace*. But, in publicly-owned institutions, both choice on the part of the consumer and the availability of competition were limited, and consumers did not have the opportunity to express their dissatisfaction by shifting their allegiance to competing, alternative suppliers of products and services. And further, within the public sector, where one institution historically had been legally required to be dependent upon another public institution for products and services with which to operate, what would now also occur was that the former would be permitted to contract with the private sector for these products and services and in direct competition with these historical public sector suppliers.

Under the Citizen's Charter, a number of mechanisms were established to foster this market driven approach: increased privatization, increased competition, increased non-public sector sourcing of production resources, performance-related compensation, both locally and nationally published performance standards, comprehensive publication of information on how well these standards have been met, more effective complaint processes, increased numbers and rigor of independent inspectorates, and better redress for the citizen consumer when services go badly wrong [2:5].

The Principles of Public Service Under the Citizen's Charter

An important factor in the Citizen's Charter was that the *consumer's satisfaction objectives would provide major input into the process*. Among other things, consumers could expect the

following: (1) *Choice* would be made available from the public sector to the consumer where such choice was practicable and not inconsistent with competition with the private sector; (2) *Standards* to be met by the particular service provider would be established -- with demonstrated input provided by the eventual users of these services -- and be published and prominently displayed at or reasonably near the point of service delivery, (3) *Information*, both complete and accurate, would be made readily available in plain language concerning just what services were to be provided, as well as just how well these services have been realized by the consumer; (4) *Accessibility* to services would be based upon convenience to the customer and not to the staff personnel; (5) *Accountability* for the delivery of quality service on the part of all public servants would be established by means of name badges, published names in all written correspondence and names orally provided in all telephone conversations; (6) *Complaints* would be processed efficiently to ensure consumers that the failure on the part of a public sector institution to deliver services would be redressed; (7) *Compensation* for individual consumers would be available where charter standards had not been met; and (8) *Non-discrimination* would be exercised regardless of race or sex, and would include minority language literature to ensure that all possible consumers had equal access to information concerning available services. (Additional principles are shown in Table 1.)

In conjunction with items 1 through 4 and 8 above, a panel of advisers would be appointed to work with the Cabinet Office of the Prime Minister in their conception and implementation, while in conjunction with items 5 through 7 above, auditors, inspectors and regulators would be retained to evaluate, recommend, improve and strengthen the quality of services delivered. Further in conjunction with item 7 above, customers would be able to claim compensation if services promised, according to the charter, were not delivered, e.g., if new telephone lines were not installed within two working days of the agreed date, where safe water standards had not been met, or where appointments for repairs were not kept. Those agencies of government that have met or will eventually meet the spirit and letter of the

Citizen's Charter would qualify to apply for the Charter Standard (wall plaques, flags, written documents, etc.) and the right to use the Charter Mark on all correspondence (similar to the Underwriters Laboratories Mark of Excellence or the Good Housekeeping Seal of Approval used on consumers goods in the U.S.) [2:7].

Table 1
The Principles of Public Service

1. The customer comes first.
2. Respond to the needs and wants of customers and users as defined by them.
3. Provide efficient and economical delivery of public services within the resources the nation can afford.
4. Provide choice of services through competition wherever practicable, and over the long run (10 years).
5. Find more effective and efficient ways of delivering those services; taxpayers have the right to expect that the money they provide (to the public sector) is spent to maximum effect.
6. Set, monitor and publish explicit high standards for the services that individual users can reasonably expect, and publication of actual performance against these standards.
7. Make readily available full and accurate information in plain language about how public services are run, what they cost, how well they perform and who is in charge.
8. Provide courteous and helpful service through public servants who will normally wear name badges.
9. Offer an apology, a full explanation and a swift and effective remedy if things go wrong.
10. Provide well publicized and easy-to-use complaints procedures with independent review wherever possible.
11. Provide independent validation of performance against standards.

Source: 3:ii.

In summary, the principles and practices of all public-sector institutions would be consistent with both the theory and practice of free enterprise choice and market-driven competition in general and the *Marketing Concept* in particular. The consumer must be satisfied or the institution in

question must be challenged as to its failure to perform.

Privatisation: Implications and Evidences

With the selection of Margaret Thatcher as the Prime Minister in 1979, the British government underwent a major commitment to the *privatization* of major industries then publicly owned. "In 1979, these industries . . . accounted for almost 9 per cent of GDP. Since 1979 . . . (the government has) privatised 46 major businesses accounting for about two-thirds of the former state sector of industry" [2:28].

One of the major starting points within the Citizen's Charter program was the raising of the question of ". . . whether a particular service should be in the public sector at all. If not, the privatisation is the right course of action" [3:2]. Some major utility services have already entered into the private sector such as gas, electricity, water, and telecommunications. Shortly to follow, to one degree or the other, will be British Rail, the Docklands Light Railway, London Buses, Northern Ireland's electricity and water services, as well as parts of British Coal [3:2]. The direct benefits to the consumer already attributed to privatisation have included a 12 percent decrease in costs for British Telecommunications' residential customers and a 19 percent increase in the percent of public telephone booths in working order; an 11 percent decrease in the price rates for British Gas customers; and reduced prices for first class letter postage by the Royal Mail resulting in a 50 percent increase in letter traffic and exponential growth in the private courier industry [2:29-30].

Consistent throughout all of this, however, was a national commitment to ". . . socially necessary services . . . (which would) . . . continue to be provided even if they are not financially viable and that a concessionary fares scheme would continue," which would distinguish this system from more free-enterprise, market driven systems [2:29]. The following section is devoted to a description of how selected public service providers have responded to the Citizen's Charter policy, both in principle and in practice.

1991: IMPLEMENTATION OF THE CITIZEN'S CHARTER

Major Participants

Because of the tremendous number of institutions and industries affected by the Citizen's Charter, only the more important ones will be included in this paper for further analysis. Perhaps two of the largest and most well known are the National Health Service and British Rail which will be mentioned below. Still often major institutions such as British Telecommunications, the Royal Mail and several others will be mentioned in later portions of the paper.

The National Health Service (NHS). The first public service provider to react to the Citizen's Charter was the NHS. Because it is a nationwide service, its charter is national in scope. However, because different parts of the country (Wales versus Scotland) and different health authorities (full-service hospitals versus specialized clinics) operate under different circumstances, local charters, consistent with the national charter, were drafted and implemented.

A national list of patient rights was drafted which would ensure: (1) *Quality care*; (2) *Information* about the options available to patients for their care or treatment and continuing information about how each case is developing; (3) *Involvement*, as far as is practical, in their own care and treatment; (4) *Choice* of general practitioner (GP) (all GPs hired within the NHS must be available no less than 26 hours per week and at times convenient to patients), including the opportunity to change the GP easily if not satisfied or for some other compelling reason; (5) *Control*, with a right to give or withhold consent to medical treatment; (6) *Freedom*, with a right to decide whether or not to participate in medical research and student training; (7) *Respect* at all times for privacy, dignity, and religious and cultural beliefs; (8) *Consideration* for relatives and friends visiting or enquiring after patients; (9) *Ability* to comment on the care they have received, and to make a formal complaint when they wish; (10) *Access* to information held about them, with certain safeguards; and (11) *Satisfaction* if these standards are not met [2:10]. Although not found in the list

per se, further concerns such as being able to get specific appointments by date and by the hour of the day, and maximum allowable waiting times for being seen and treated were included in the more detailed portions of the charters.

British Rail (BR). Inasmuch as BR was designated for privatization, the government was anxious that the Citizen's Charter for the nationally-owned railways be conceived and implemented prior to privatization and carried forward thereafter. For this reason, the white paper in which the policy was introduced stated that ". . . privatisation of the railways is integral to the (policy of) Citizen's Charter" [2:17]. Under its administration by the Secretary of State for Transportation, it has been subdivided into different networks, each with a slightly different customized charter.

Further, inasmuch as BR has existed for many years, the spirit of the charter was one of defining *improvements* in existing services rather than the definition of new services, although these were not necessarily precluded. Prior to the creation of the Citizen's Charter, the policy statement covering BR was the "Conditions of Carriage" which was written shortly after World War II. Although it has been upgraded every three years, under law, there remained much to be improved upon. In its most recent form, its statement of service included: (1) *Reliability* - 99 per cent of all trains scheduled to run will run; (2) *Punctuality* - 92 per cent of all trains are to arrive within five minutes of the published time all day (88 per cent in the morning and evening peaks); (3) *Cleanliness* - 100 per cent of all trains will be cleaned inside and out every day; (4) *Performance* - passengers should not wait for more than three minutes to be served at booking offices (five minutes during peak times) and (5) *Information* - 95 per cent of all telephone inquiries would be answered within 30 seconds.

It was expected in the original policy statement that these commitments to quality would be carried forward in the new charter. This charter would provide still greater commitment to customer satisfaction by putting passengers first in priority in the following areas: (1) *Information* - more and clearer schedules, timetables and performance objectives; (2) *Service* - friendlier and more personal service, including the wearing of name

badges by all staff members to ensure the principle of *accountability*; (3) *Redress* - a straightforward system of redress in cases where the level of service is unacceptable; (4) *Complaints* - simpler and more effective procedures for dealing with unacceptable levels of performance; and finally (5) *Competitive Tendering* which was believed to improve both the quality and value of services rendered. Already included in this were such services as catering of food and beverage, and cleaning services. Yet to be determined in the first year was something highly unusual, namely, that *compensation* would be available through the redress and complaints provisions for those who suffer from less than correctly anticipated service. Finally, the chairman of the Board, Executive Board members and thousands of staff down to and including junior management grades would be compensated as a function of performance against the service objectives stated in the charter [2:17].

Confirmation of Consumer Satisfaction: Audits, Inspections and Regulators

Independent Audits. Consistent with the concept of an independent audit which occurs in most private sector companies, independent audit arrangements were included in the total program for public sector service institutions through the ongoing but more strengthened efforts of the Audit Commission, which is the principal auditor for local government, and in conjunction with the National Audit Office (NAO), for the National Health Service. Among other things, it was felt that ". . . these audits would . . . be able to compare the performance of one body with that of others on a clear and consistent basis, . . . (could) determine how actual performance compares with both local and national standards (as set forth in the various charters) . . . (would) expose weaknesses, . . . (would) confirm the reliability of good internal systems, . . . would provide powerful stimulus to improvement, . . . (would) ensure good practice and value for money, (would) raise the quality of service, . . . and would ensure that public monies are spent properly and efficiently" [2:38].

Selected comparisons of past performances, showing the ranges between the top 25 percent and the bottom 25 percent, included the following

findings: (1) in police work, the average number of successful identifications per finger-print officer is 93 per year (but) the most efficient quartile of police forces achieves over 157 while the lowest is only 48; (2) in education, the average proportion of time that local schools inspectors spend in observing teaching is 18 percent (but) the highest quartile is over 36 per cent and the lowest less than 6 per cent; and (3) in the National Health System, the costs of commonly used sterile examination packs range from 46 pence at the lowest quartile to 1.79 pounds at the highest. The scope for improvement just by bringing the bottom 25 percent up to what is currently the average, was clearly very great" [2:38].

Independent Inspections. In contrast to audits, inspections are intended to ensure that "the professional services that the public receives are delivered in the most effective way possible and genuinely meet the needs of those whom they serve" [2:40]. In the past, inspectorates were staffed exclusively by members of the profession they oversaw. Even though the professional element is still highly regarded, it was felt that more lay inspectorates should be appointed to ensure that the best interests of consumers were being met and as they saw them, not as professionals saw them. Finally, it was recommended that all reports be written free of professional jargon and must be understood by the lay person [2:40].

Independent Regulators. So long as there remained elements of monopoly in the privatized utilities, the interests of customers would have to be protected. The government's privatization legislation, therefore, provided for an independent regulator for each of the utilities, such as OFTEL for telecommunications or OFGAS for the natural gas industry. Although their efforts have focused on price controls, consumers must still be protected against periodic bad quality or poor service.

Complaints, Redress and Compensation

"It is fundamental to the Citizen's Charter that all public services . . . should have clear and well-publicized complaints procedures" [2:42].

Consumers would have to be informed in the first instance that they (1) have a *right to complain*; (2) must be *informed of just what to expect* in order that they can draw conclusions as to the possible grounds for complaint, (3) they must be informed *how to complain*; (4) must know *when their complaints must be filed*; (5) must be informed *to whom and where they must complain*; and (6) must have confidence that their *complaints will be dealt with*. In the spirit of this list of rights, it was recognized in the legislation that "the more centralized and remote a complaints procedure is, the likelier it is to be slower, more expensive and less "user friendly." But where more than one service is provided, a central contact point -- for example a telephone helpline -- can be useful in giving advice about how and where to complain" [2:42].

Supporting this internal system for dealing with complaints and redress, an independent complaint system was already intact and is in the process of being expanded. "On behalf of the citizen, ombudsmen already deal with complaints of alleged injustice caused by maladministration by central government, the National Health Service, and the local authorities. If the redress recommended is not forthcoming, the Parliamentary and Health Services Commissioners have power to report to Parliament, in effect laying their recommendations before the highest court in the land. As a result, recommendations on compensation cannot be ignored" [2:43].

As for compensation itself, "When public services fall well below the standard, and there is nowhere else to go, there must be some redress. It is not always compensation that the consumer wants. Often, what is needed is to get the fault put right, the system corrected, or better information provided. Sometimes a proper explanation and a genuine apology are enough" [2:47]. However, when serious violation of the public trust occurs, compensation must be available. For example, in instances where waiting time at hospitals is excessive, where trains are canceled, where packages are lost in the mail, when students are denied entrance to a particular school, and so forth, some form of compensation must be forthcoming. The most evident of redress and compensation, as in the case of British Rail, is the simple process of refunding the price of a

ticket when a particular train has been canceled or unreasonably delayed. This may be done in the absence of a formal complaint being filed. Other examples in the BR system would include compensation for a lack of seating for holders of season or reserve tickets for those days when such services are not available [2:48].

Public Service and Organized Industrial Actions

"Public services are particularly vulnerable to industrial action. Indeed, strikes in public places are often deliberately targeted on the life of the community in the hope that public opinion will put pressure on the employer to concede trade union demands. If such industrial action is unlawful, the employer can seek the protection of the law to get the action halted. However, the citizen normally has no legal remedy against the organizers of an unlawful strike, even if it deprives him or her of essential services or threatens public health. (However), this legislation changed the law to give the citizen the right to bring legal proceedings to stop unlawful industrial action affecting the services covered by the Citizen's Charter" [2:46].

Conclusions to the Citizen's Charter: 1991, The Year of Implementation

The spirit of the legislation created under the Citizen's Charter was meant to demonstrate that ". . . consideration for the public must come first in every place where service is provided, that good service will be recognized and incompetence exposed. Its themes of *quality, choice, standards* and *value for money* will be fundamental to public service throughout the 1990s. The Government believes that the Citizen's Charter will bring to all those in public service new pride and satisfaction. For the public they serve, it will bring commitment to quality, and a power to secure it, that will put Britain ahead of any country in the world" [2:51].

1992: THE YEAR OF THE FIRST MEASURED PROGRESS

As a result of an analysis of the progress demonstrated over the first year, the government reaffirmed in its first annual report its commitment

to the basic "Principles of Public Service" of the Citizen's Charter. (Refer back to Table 1.) A second major result of the first year of the program was the identification of a number of areas which warranted high priority and could be implemented in fairly short order. Including in these areas was the implementation of the government's *market testing initiative*, namely, "testing a particular service to see which supplier - in-house or external -- offers the best combination of value for money and quality of service for the user." In this first year alone, the government achieved a ". . . fifty fold increase in market testing compared to the average value for the last three years" [3:3].

A third major result, consistent with the *Marketing Concept*, was keeping current of what consumers really want or need: "It is good Charter practice to ask users what they think of the services they use and what they see as priorities for improvement" [3:6]. Therefore, various surveys have been ongoing (no less than annually; many monthly such as the Post Office) including customer attitudes surveys, visitor surveys in courts, victims surveys (reporting crimes at police stations), complainants of telecommunications services and Anglia Water does a continuous study monitoring 4,000 customers' attitudes about the quality of their water [3:16].

A fourth major result was a continued commitment to *providing prompt service* which received a great deal of public attention. (Table 2 provides selected examples of commitments to prompt service from a variety of public service providers.) A fifth and final major result was the recognition of a need for *redress and compensation*.

Actual Achievements: Case Histories

Overall, 28 Citizen's Charters were submitted and approved, representing a broad range of public services. The most important and nation-encompassing were: (1) the Patients' Charter (National Health Service), (2) the Parents' Charter (Education), (3) the Passenger's Charter (British Rail), (4) the Benefits Agency, (5) the Constitutions Agency, and (6) the National Courts. On 29 September 1992, the Prime Minister awarded 36 Charter Marks -- a new award of

Table 2
Examples of Prompt Service

1. NHS hospitals are now required to give outpatients specific appointment times and give them an explanation and an apology if they are not seen within 30 minutes of that time.
2. Both selected Social Security Agencies and Training and Employment Agencies provide fixed appointment times to all customers who request them, and clients who sign on are asked to attend either at a fixed time or during a band of normally 15 to 30 minutes.
3. The Vehicle Registration Offices of the Driver and Vehicle Licensing Agency provide fixed appointments for disabled customers and for all vehicle inspections, and the Vehicle Inspectorate now publishes a wide range of maintenance standards in easy-to-use manuals to help vehicle owners to prepare their vehicles for the annual MOT test.
4. Contributions Agency customers can make appointments by phone either to call in to a Field Office or for an inspector to visit them at home, at their business or during the evening.
5. The "lane rental system" for road repairs will offer contracts that provide bonuses for work finished within the time frame agreed upon and are penalized for all work finished after that time, that all contracts will stipulate the "maximum length of motorway that can be closed off at any one time (namely) two and a half miles," and private construction firms must post their names at all construction sites in order that passersby will know who is responsible for the work and any interruptions that might be associated therewith.
6. Utility companies will have a statutory duty to repair roads to a demanding national standard; in many cases, a permanent repair will be carried out immediately, instead of temporary and often unsatisfactory patching, and authorities must coordinate all utility works to ensure a minimum of downtime or traffic disruption.

Source: 3:9, 14-15.

government for excellence in delivering public services -- out of over 300 applicants from public

service organizations. Of the more important public service areas selected were agencies involved in health care (Scarborough and North East Yorkshire Healthcare Outpatient Department), public utilities (London Electricity), public education (St. Mary's Secondary School, Londonderry) and law enforcement (Dyfed-Powys Police).

The National Health Services (NHS). This was one of the major public services of concern. Participating institutions responded well, with all four political areas well represented (England, Northern Ireland, Scotland, and Wales). Significant steps were taken in keeping with both the spirit and the letter of the original legislation as discussed earlier. When NHS patients believe they have cause for complaint, the NHS Citizen's Charter provides patients with ". . . a new right to have complaints about NHS services investigated and to receive a full and prompt written reply from the chief executive or general manager" [3:17-19]. Major improvements were made with respect to time spent on waiting lists for hospital treatments and guaranteed appointment time with a maximum of 30 minute waits to be seen. In England from 1991-March 1992, the number of people waiting over two years for elective hospital treatment fell from over 51,000 to less than 1,700, and in March 1992, 90 percent of all patients on waiting lists had been waiting less than 12 months.

British Rail (BR). BR has been conducting an ongoing survey and publishing the results thereof as to the reliability and punctuality of train services, by route. "For 1992, so far, 14 out of 15 Network Southeast route groups are achieving or exceeding their reliability targets for the number of trains run, and 13 of 15 groups are achieving or exceeding their punctuality targets" [3:17]. From May 1992, BR implemented a program in which ". . . voucher refunds worth at least 20 percent of the price paid for a journey have been offered to non-season ticket holders when their journey, or any leg of it, has been delayed by more than one hour" [3:17].

The Post Office. The Royal Mail was committed to delivering all the mail and on time. Also, the Royal Mail established a network of 67

customer care centers . . . and circulated a publication which describes how to make a complaint. Independent arbitration is available, and the fee is refunded if the appeal is upheld" [3:19]. Table 3 shows some of the results from the first year under its charter.

Table 3
Results from the Royal Mail's First Year of Charter Commitment

1. Delivered 89.8 per cent of first class letters the next working day as opposed to its target of 87.2 per cent.
2. In main Post Offices, just over 96 per cent of all customers were served within 5 minutes in second quarter 1992, with an average waiting time of 90 seconds."
3. Instituted a redress system ". . . for loss of an item carried . . . up to 24 pounds sterling (the equivalent of 100 times the cost of a first class stamp).
4. Compensation for late arrival of a special delivery item was increased to twice the fee paid or a book of first class stamps, whichever was the greater."

Source: 3:24.

Inspecting the Inspectors. One of the commitments contained in the Citizen's Charter was to improve the performance of those institutions responsible for inspecting various public service institutions. Three major thrusts were highlighted: (1) inspectors should be *independent* of the services they inspect, (2) *lay membership* should exist to represent the views of the general public served, and (3) reports should be made *open* and published so that people know how well they are being served. (Table 4 provides only two examples of the huge volume of findings following the first year of the Citizen's Charter, namely, education and social services.)

Competition With and Within the Public Sector. In its commitment to competition, the Citizen's Charter strongly urged that private sector institutions be permitted to compete directly with public sector agencies in rendering services to still other agencies of government. "The aim was to find new ways to mobilizing the private sector to

Table 4
Inspectorates: How They Meet the Key Criteria

	Inspectorate independent of service inspected	Lay people involved in inspection	Reports published and responded to	Further information
<i>Schools</i> <i>England</i>	Independent 'OFSTED' established as a separate government department in September 1992	Inspection teams all have at least one lay member	Full report to be published on each school. Summary to be sent to all parents. School governors to send out action plans to explain how they will act on a report's findings and progress achieved.	Education (Schools) Act 1992 implemented commitments to reform inspection of schools. All state schools will be inspected every 4 years from 1993 (secondary schools); and 1994 (primary schools).
<i>Wales</i>	Independent; the Office of Her Majesty's Chief Inspector (OHMCI) was established as a separate Government Department in September 1992	Inspection teams all have at least one lay member	Full report to be published on each school, with summary to be sent to all parents. School governors to send out action plans to explain how they will act on a report's findings and progress achieved.	The Education (Schools) Act 1992 implemented the commitment to reform inspection of schools. From 1993 all state schools in Wales will be inspected every 5 years
<i>Northern Ireland</i>	Independent	20% of inspectors come from non-academic background. Scheme to include lay volunteers to be piloted	Reports published and summaries sent to parents. School governors' response set out in their annual report to parents and discussed at annual parents meeting.	
<i>Scotland</i>	Independent	Pilot scheme being established for lay involvement in inspection teams. Parental interest covered by consultation with School Board	Full report published in each school inspected and separate summary sent to parents. Recommendations followed up 1 year later and progress reported to parents.	Inspectorate Audit Unit established April 1992. Evidence about how well schools and education authorities are performing will be analyzed, published, and used to target inspections.
SOCIAL SERVICES <i>England</i>	Independent of private and voluntary sector providers. At arms length from local authority providers.	Some lay involvement but not comprehensive.	Local practice varies.	Consultation Documents 'Inspecting Social Service' issued in October. Includes proposals to increase independence, introduce lay people to all inspections, and improve accessibility and influence of all inspectors' reports.
<i>Wales</i>	Independent of local service providers.	No lay involvement yet but views of users and carers an integral part of inspections.	Reports published unless legal reasons for withholding them.	Consultation document issued November 1992. Includes proposals to increase lay people to all inspections, and improve accessibility and influence of all inspection reports.
<i>Northern Ireland</i>	Independent	Consumer views obtained in the course of inspection. Lay involvement principle to be developed following local consultation.	Major inspection reports published. Principle to be developed following local consultation.	Department of Health and Social Service (NI) will issue a consultation paper early in 1993 covering the development of the key principles.
<i>Scotland</i>	Central Government Social Work Services Inspectorate (SWSI) is independent of local authority services inspected. Local authority inspection units required to be at arm's length from social work department providing services inspected.	Lay persons on SWSI inspection advisory committees. Proposed to involve lay persons further. Last Inspectorate post advertised stated that a social work qualification was not required. Lay persons required to be involved in advisory committees of local authority inspection units.	SWSI reports will be published in full. Some local authority inspection units published reports.	

Source: 3:51-52.

Table 5
Market Testing for Value

Department/ Agency	Approximate value of activities to be tested £m	Approximate number of staff involved in this work	Main activities to be tested by 30 September 1993	
<i>Ministry of Agriculture, Fisheries and Food</i>	42	850	Building and estate management Central office services General recruitment IT systems, services and development Investigation services	Library services Milk hygiene enforcement RN surface surveillance Staff training Typing services Van services
<i>Customs and Excise</i>	53	2,220	Consultancy services Customs cutters (marine branch) Debt collection Facilities management Gaming machine licenses Import and betting duty collection IT division (part)	Internal audit Messenger services Statistical data keying Storage and distribution of office supplies Typing services
<i>Ministry of Defense</i>	323	12,200 [includes 1,800 service posts]	Accommodation and office services Elementary flying training Engineering services and support Fire services Freight delivery Grounds maintenance IT services	Motor Transport In-service equipment support Nuclear weapon research and production facilities Operation of experimental aircraft fleet Vehicle maintenance
<i>Department for Education</i>	10	300 [includes effect of OFSTED changes]	Building, office and support services in DFE's London HQ Some information systems services Payroll services provided by Chessington Computer Centre	Services provided to Teachers Pension Agency by the Paymaster General's Office
<i>Department of Employment</i>	72	1,900	Central Despatch Employment Rehabilitation courses Estates services IT Support of non-mainframe applications Jobclubs/Jobsearch seminars	Payroll services Pensions administration Publications distribution Reprographics Security Typing services
<i>Department of the Environment</i>	58	700	Accommodation facilities management Accountants Central reprographics Conveyancing	Designs, drawing and print services Economists Professional property services Registry services Training Workshops and stores
<i>Lord Chancellor's Department</i>	30	1,400	Building management and maintenance County Court Bailiffs (as part of a review of enforcement agents) Estate surveying services IT services Internal audit	Pay Services Printing and form supply Public Record Office support services Statutory publications office Public Trust Office taxes division Public Trust Office typing services
<i>Department of National Heritage</i>	10	50	Building agent services (Royal Parks) Facilities management Gardens maintenance (Historic Royal Palaces Agency)	Library services Office services National lottery Payroll
<i>Foreign and Common- wealth Office</i>	22	550	Buildings management Diplomatic service language centre Homed security force (subject to confirmation) IT project management and training	Installation of local radio networks and satellite communications Messenger services Overseas estate project management Research
<i>Department of Health</i>	20	600	Internal audit Internal management consultancy Library services	Office services Selected statistical surveys and support Welfare foods scheme

Table 5 (continued)

Department/ Agency	Approximate value of activities to be tested £m	Approximate number of staff involved in this work	Main activities to be tested by 30 September 1993			
<i>Home Office</i>	120	3,850	Accommodation and office services Computing services Internal audit Pay services Police national computer (Hendon Datacentre) College, training and facilities management		Computing services Court escorts Dog service Education Prison establishments Warehousing, distribution and fleet management	
<i>Inland Revenue</i>	282	3,350	Bulk mailing Catering Estate management services Facilities management Form design and procurement IT services		Office support services Reprographics Typing/secretarial services Video production Writing of training material	
<i>Northern Ireland, Scottish and Welsh Offices</i>	40 15 7 62	1,550 1,050 300 2,900	<i>N. Ireland</i> Catering Computerization Estate management Internal audit Machinery and vehicles maintenance	Messenger services Some planning services Some road services Training Centers Typing Some water services	<i>Scottish</i> Certain office management services NHS audits Prison service stores and works Registers of Scotland - non-core activities Statistical services	<i>Welsh</i> Building maintenance Catering Drawing office IT service Internal audit Office support services Staff training
<i>Office of Public Service and Science</i>	11	200	Accommodation and office services Internal audit IT systems development Recruitment Research studies		Security guarding Stationery Telecommunications services Training Welfare services	
<i>Department of Social Security</i>	127	6,900	Accommodation and office services Accountancy services Archival storage Audit Catering Data entry		Legal services Medical services and administrative support Resettlement centers Training	
<i>Department of Trade and Industry</i>	80	1,900	Accounting (Insolvency Service) Companies House Export Market Information Centre IT services Internal consultancy services Offshore geology programme Oil and gas royalties		Pay Ship radio licensing (Radiocommuni- cations Agency) Trade marks examination research (Parent Office) Training	
<i>Department of Transport</i>	33	950	Despatch and mail handling at DVLA Drivers, Vehicles and Operations Information Technology Agency (DVOIT)		Register of shipping and seamen Security at DVLA Survey and certification of ships Vehicle excise duty refunds	
<i>HM Treasury</i>	4	200	Economic model building and development Internal audit Library		Recruitment and training Reprographics and stationery Consultancy inspections service activities Treasury security guard (subject to confirmation)	
<i>Other Departments, Agencies and areas not covered above</i>	283	3,250				
TOTAL	1,449	44,250				

Source: 3:60-64.

meet needs which have traditionally been met only by the public sector" [3:58]. In order to accomplish this, *marketing testing* was introduced in the charter. (Table 5 shows some samples of major public sector agencies or departments and what they are doing in the area of market testing to ensure that government (and the consumer) gets the most for its money.)

Performance for Pay. Finally, because the Citizen's Charter believed in a ". . . firm commitment to establishing a regular and direct link between a person's contribution to the quality of services and his or her reward," and believed this was consistent with the private sector and in the presence of competition, the government began to implement a system of compensation based upon performance [3:67]. "New performance pay schemes have already been put in place for half a million civil servants . . . and new discretionary allowances are now available for primary school teachers (26,000 payments have already been made, based upon meritorious performance) and "the percentage of London Transport Executive Board members' performance pay decided by quality of service has been increased this year (1992) from 16 per cent to 35 per cent of total compensation" [3:67].

Conclusion to the First Annual Report

After the first year of implementation, the Annual Report gave the following evaluation of its performance: "As yet we have not done all that we would have liked and some targets have not been met. But this is in the nature of having challenging targets. Improvements begin with recognizing and understanding the reasons for not reaching the standards that have been set. All of us who use public services - as parents, neighbours, passengers, patients - share a responsibility for making sure that we get the public services we need, and that we use them well. The Citizen's Charter is a ten year program. There is more to come and we shall check the charts regularly to improve still further the standards of service, information and responsibility that they offer. . . . Our next report will say how we have done" [3:69].

CONFIRMATION OF CONSUMER SATISFACTION: PRIVATE SECTOR INPUT

Many private sector groups demonstrated their interest in the success of the Citizen's Charter. However, only three of the larger groups have been isolated out for further comments, namely, the National Consumer Council, the Consumers' Association, and the Association for Consumer Research.

The National Consumer Council (NCC)

The NCC's goal was to ensure that consumer interests were well represented in the drafting of the original Citizen's Charter and any supporting legislation. Whereas the final draft of the Citizen's Charter was published July 1992, the NCC's own draft was released June 1991.(4) For many years, the NCC had been seeking ways of improving the relationship between the numerous public service institutions and their respective users. It was the belief of the NCC that consumers of such services should have rights no less than those of consumers expecting quality service from private sector providers.

The proposal of a series of charters formalizing many of these relationships was welcomed by the NCC. It realized, even as Parliament did, that this would be a long run program, that all of the problems that had developed over the many years simply could not be resolved in the short run, and that it was well past time that public service institutions should be held as equally accountable as private sector institutions in delivering value for monies spent. The NCC recommended that the Citizen's Charter would require all public services and monopoly utilities to: (1) *develop quality standards* which would appropriately reflect the qualities and preferences valued by consumers; (2) publish a service contract which would *set explicit performance targets* for these quality standards which they would guarantee to meet; (3) specify any conditions, penalties and compensations resulting from failure to meet these standards; (4) *monitor actual performance* against the standards of the service contract; (5) *provide appropriate redress* to consumers for failure to meet these

guaranteed standards; and (6) *publish a report on actual performance* against the service contract which identifies services failures and accounts for them [4:6].

A rather intriguing component of the recommendations proposed by the NCC was a strong recommendation for *consumer research*. It was the NCC's opinion that ". . . many public services and monopoly utilities (had) internal organizations, corporate planning and performance targets (which) often reflect(ed) producer interests rather than the interests, values and choice preferences of their consumers (as well as the service attributes and qualities which consumers value). Few even (carried) out the vital step of investigating consumer preferences by the kind of systematic process of consumer research which is normal in the private sector." Further, they possessed no ". . . procedures by which consumer values and choices could be identified and then built into performance targets" [4:6-7].

It even went so far as to recommend that ". . . the government should fill in the many gaps in existing research by initiating a national programme of consumer research" [4:7]. In the spirit of privatization, the NCC recommended that performance standards might well have to be developed by the service providers themselves -- with consumer input wherever possible -- and recognized that ". . . it would be inappropriate for the government centrally to define detailed performance standards and to impose them on public services and monopoly utilities" [4:8]. It also recognized that diverse markets would dictate diverse service standards, but the publication of performances of comparable public service institutions would permit comparisons among them, the result being higher incentives for lower performing institutions.

Although the NCC was concerned mostly with public service providers, it was also committed to encouraging "shopper's charters" to be administered on monopoly utilities since, when ". . . faced with a monopoly, consumers are in an extremely weak bargaining position with the balance of power resting firmly with the utility supplier. It believed that public services should be placed ". . . in the same position as commercial (privately-owned) businesses which are exposed to market forces. In the competitive market, the

threat of contracting demand and falling profitability is the ultimate incentive to producing a high quality service," and it believed that ". . . monopoly utilities should be exposed to similar financial penalties" [4:3].

In contrast to established compensation tables recommended by the NCC and included in the Citizen's Charter, British Gas had already instituted a voluntary compensation scheme whereby claims of up to 5,000 pounds sterling could be received. And British Telecom introduced a customer Service Guarantee in 1989 whereby customers could claim a set amount of 5 pounds sterling per day for failure to install or repair but, if actual losses could be proven, could receive as much as one thousand pounds sterling. Regulation of the water industry instituted the Guaranteed Standards Scheme whereby an entire list of compensation payments was established to be paid to consumers under specified circumstances. For example, compensation is paid at a fixed amount of 5 pounds sterling per failure, plus 5 pounds sterling per day for failure to restore the water supply. Regulation of the electricity industry has a similar compensation scheme. Regardless of the system used, NCC was anxious to impress upon public officials that on going research would have to be conducted to determine whether it was resulting in actual improvements in performance or simply a larger cash flow into the business and an offsetting flow out of the business.

The NCC was also concerned with *immunity systems* in existence and was quick to add that ". . . crown immunity should be abolished, with rare exception" [4:10], and that "contractual immunity", as in the case of British Rail, should be terminated as quickly as possible. It was believed by NCC that, fortunately, such clauses would fall under the forthcoming European Community 'Unfair Contract' directive and would be terminated Community-wide [4:11].

With regard to *redress and compensation*, the NCC was anxious that redress would not involve the civil courts and that built in standard compensation payments and ". . . alternative legal procedures which are cheaper and more accessible would be very relevant to the Citizen's Charter," in keeping the costs of administering redress and compensation down. [4:11]. Again, it was urged that a separate account would be established and

that this ". . . account would be 'ringfenced' from the main operating accounts. . ." thereby "removing the risk that high levels of compensation would result in damaging cutbacks which further degrade the service." The general feeling was that ". . . failures to meet key performance indicators should lead to the companies being penalized through relevant price formulae. . ." was a welcome move and, in this way, the profits of the utility would be affected by (such) failures . . ." and it is only ". . . equitable for the cost of service failures to be borne by shareholders" [4:12].

British Rail Privatization and the National Consumer Council. The most recent involvement of the NCC in privatization, regulation and citizen charters occurred in late 1992 with the release of its report of the proposed privatisation of British Rail [1]. In a 1990 Consumer Concerns survey, ". . . consumers registered less overall satisfaction with British Rail than with any other public utility . . ." including safety, price, reliability and customer care, as shown in Table 6 [1:1]. Identical low scores for BR were repeated in the 1991 survey while other public services showed improvements. Because of this poor performance, the NCC was very concerned that this level of performance might be perpetuated under private ownership. The NCC was not concerned that ownership was moving from the public to the private sector but with what mattered to consumers, namely, that service would be ensured and that the regulatory structure was in place to protect consumer interests.

Given its concern for equity to all passengers during this transition period, the NCC was concerned that BR might charge considerably higher fares for rural lines and considerably lower fares for urban or main lines or an extremely complex use of cross-subsidies, ". . . a very strange function for a private institution to carry out." [1:2] Also, "BR would only provide individual services if no satisfactory private sector bid was received . . ." making BR ". . . the provider of last resort" [1:2]. It was also concerned with the complex issues of regulation and the lack of planning input from any consumer or user groups. Still further, the NCC was concerned with the whole question of fare control

and the enforceability of standards. The documentation in support of privatization stated that ". . . punctuality, reliability, fare levels, safety, cleanliness and overcrowding were import factors but ". . . there was little about how standards would be set, the role of passenger representation in that process, . . . only a fleeting reference to the Citizen's Charter," and absolutely no reference ". . . to the vital need for a clear customer complaints procedure" [1:7-8].

In the very early hearings pertaining to privatization of BR, NCC was active to ensure that concerns for handicapped passengers, safety and subsidizing socially necessary routes were addressed. Many other concerns were expressed but the important information contained in the NCC report demonstrated that many of these concerns actually preceded the Parliamentary discussions leading up to the formation of the White Paper which created the Citizen's Charter.

The Consumers' Association (CA)

The October 1992 issue of *WHICH?* -- published monthly by the *Consumers' Association* of London, England -- contained an article devoted to complaints concerning the quality of service of British Gas, British Rail, British Telecom, the Post Office, and electricity and water companies. The article indicated that the production staff ". . . investigated . . . various new Charter rights, the service standards one should expect from each company and how to complain if something goes wrong. We looked at the way BG, BR, BT, the electricity companies, the Post Office and the water and sewerage companies deal with . . . complaints. Companies like BT and BR are handling their customers' complaints badly. We investigated where these companies are going wrong. None of the companies in our survey should be happy with these results. All need to improve the way they handle complaints. Though the PO is the best in three out of five complaints-handling aspects, it is still far from acceptable. BR and BT are worse than the others. They should review their procedures urgently. Some charters are better than others. The 'best' pay compensation for poor service automatically" [5:12-15].

Table 6
Satisfaction with Public Services
(From Consumer Concerns 1990)

How satisfied are you with.....

	Overall Satisfaction %	Safety %	Customer Care %	Price %	Quality & Reliability %
Coach Service +	84	86	72	81	81
Electricity Supplier	83	N/A	60	44	N/A
Gas Supplier +	82	90	67	58	N/A
Telephone Service	72	N/A	57	37	N/A
Water Supplier	72	N/A	42	40	63
PO Counters	70	N/A	61	61*	68*
Bus Service +	67	85	54	58	64
TV	N/A	N/A	36	26#	32
BR +	53	76	40	34	49

Source: MORI

N/A = not available/not asked

* = postal charges/service

= television license fee

Base: 1,978 respondents except for those services marked
+ which include only users.

Source: 1:12.

In every case, more people were dissatisfied with the way their complaints were handled than those who were satisfied. The survey was conducted in February of 1992 and included 4,626 members (subscribers) who had told the publication in a previous postal survey that they had complained to a public utility or travel organization. Of the 70 per cent who replied, 1,743 had made a complaint to one of the institutions covered by this report. The consumers contacted were asked about five aspects of the handling of their respective complaints: handling,

outcome, staff, information, and time. Some of the more notable findings are presented below. Along with the primary type of complaints received about each utility, the article also informed the reader of the performance standards that could be expected and the proper regulatory agency to contact if a complaint was not satisfactorily resolved.

The Post Office scored higher than the other institutions in the *handling of complaints* but still only received a score of 40 per cent satisfied although 20 percent indicated they had received no response at all to their complaints. BG left only 33 percent dissatisfied customers whereas BR had more than half of its customers saying they were dissatisfied with the *outcomes* of their complaints. The Post Office scored above all the others in the field of *staff behavior*, with 60 percent of its customers saying the staff were very or fairly helpful in dealing with customer complaints, whereas BR had only 40 percent of its customers believing the staff were very or fairly helpful.

With regard to *information*, the Post Office outscored the other institutions once more, with less than a third of its customers stating that the Post Office did not keep them well informed whereas BT had half of its customers feeling that BT had not kept them well informed. Almost a quarter of all complaints to BR also had to do with lack of information on the part of staff, e.g., when trains run or what ticket prices are. Finally, just under forty percent of BR's customers felt the *time* it took was too long in settling complaints, fewer than any of the other companies, whereas BT did the worst with just over half the people complaining that it took too long to resolve their complaints [5:13].

Almost a quarter of all complaints, regardless of the institution in question, had to do with poor quality of installation, repair or service work. Under its charter, BG promised to meet certain minimum standards or else pay compensation. If complaints to BG generate no satisfaction, a dissatisfied customer can contact the Gas Consumers Council (GCC) or OFGAS, the gas regulator, which can enforce a decision and action. With regard to BT, more than a quarter of all complaints had to do with problems on the phone lines, e.g., static or incoming calls not getting through, and another fifth had to do with

inaccurate billing. If no success is received either by direct telephone call or letter, customers could contact the Appeals Manager and if this does not work, they can take their complaints to OFTEL [5:14]. With regard to the electricity utilities, most complaints had to do with inaccurate bills and meter readings. Finally, with respect to the water utilities, almost half of the complaints had to do with the quality of the water, e.g., discoloration, too much chlorine, and even worms in the water. With respect to the PO, the main complaint was about the reliability of deliveries, followed by failure of a letter or package to arrive. Long delivery times or incorrect deliveries were about 7 per cent each.

The Association for Consumer Research (ACR). The ACR was also very much involved. Its primary concern was ensuring that the principles of consumer input into citizen's charters, in particular of openness and information, ". . . be legally enshrined in a Freedom of Information Act, including the need for statutory right of access to information." It also pushed for ". . . passage of the Competition and Services (Utilities) Bill, which aims to strengthen the powers of the utilities regulators. . .", that the ". . . regulators should conduct opinion surveys when setting service standards for the industries," and that ". . . the adequacy of consumer representation in the regulation of the utilities, particularly telecommunications, and on the accountability of the regulators" [6:22].

This same group had been quite active against BR and ". . . its notorious Conditions of Carriage (which) disclaim responsibility for delays or any losses to their passengers arising out of them. Initially, we were greeted with Citizen's Charter promises of revised Conditions of Carriage by the year end -- but we are still waiting. The ACR awarded BR its first ever 'captive consumer' award in January 1992. The organization continues to lobby hard to ensure that the new rail regulator, appointed to oversee consumer interest in the privatisation of BR, has sufficient powers to ensure that such conditions do not continue" [6:24].

SUMMARY AND RECOMMENDATIONS FOR FURTHER RESEARCH

The policies of the Citizen's Charter have been in effect for just over one year. This paper has documented some of its more outstanding results as measured by both internal and external consumer oriented organization reports. Although consumer satisfaction appears to be increasing, considerable dissatisfaction remains evident. For the first time in the history of the United Kingdom, however, a system established to ensure consumer satisfaction is in effect and consumers who are not satisfied now have formal ways of filing complaints and receiving compensation (satisfaction?). The *Marketing Concept* is alive and well through this public sector initiative. The Citizen's Charter still has nine years to go before final implementation is obtained. Further research is strongly encouraged to ensure that this policy is successful both in terms of its depth and width of application as well as its timing. The statistical methodology used was almost non-existent and evidence of internal and external resistance to change is evident throughout the public services affected. The opportunity for research into the areas of consumer satisfaction, dissatisfaction and complaining behavior is amply evident and encouraged.

The public policy defining the desire for greater consumer satisfaction has been implemented. How well the practice of generating consumer satisfaction will be remains to be seen as the ten-year time period passes. May both the policy and the practice bring to pass increased consumer satisfaction.

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ACKNOWLEDGEMENTS

The author wishes to thank the First Interstate Bank Institute for Business Leadership at University of Nevada, Las Vegas for the grant which supported this research.

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