Customer Excellence Benchmarking Report

August 2016

HouseMark

NATIONAL HOUSING FEDERATION

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Contents

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1. Introduction

1.1. Background to this report

This report details the findings of the HouseMark Customer Excellence benchmarking exercise which took place between April and June 2016. It is based on data for 83 social housing landlords who agreed to participate, referred to elsewhere in this document as 'the participants'.

The purpose of this exercise was to trial the collection of detailed data on complaints and customer contact centres, in response to growing demand within the social housing sector.

The data collected through this exercise has two primary purposes:

- Achieve greater understanding of customer excellence within the sector as a whole: how are customer expectations changing; what does typical demand look like in 2016; how are organisations responding; what resources are in place; what does a good service look like; and what are the key challenges for social housing providers in the years to come.
- Enable participating organisations to benchmark their costs and performance, with a view to informing service reviews.

The data provided in this report is anonymous and covers the period from 1st April 2015 to 31st March 2016. It is designed to help inform participants and the wider sector on the findings of this exercise.

This report is accompanied by detailed schedules and an interactive Tableau file made available to participating organisations only.

The detailed schedules are provided in an Excel document and include outputs from all participants of the exercise, enabling further analysis to be carried out at an organisation level.

The interactive Tableau file can be easily accessed by downloading free Tableau Reader software, and will allow you to view data for each participant and choose your own peer group based on the following options;

- Organisation type
- Stock size
- Region
- Contact centre type
- Number of stages in your complaints process
- Who handles complaints within your organisation

HouseMark would be delighted to receive feedback on this report. You can contact our data team by emailing data@housemark.co.uk or alternatively call our helpline on 024 7647 2707.

HouseMark would like to thank all participants in this exercise. A full list of participating organisations can be found in Appendix 1.

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1.2. Methodology

The participants submitted the data to HouseMark via an Excel based form and were provided with detailed definitions for each indicator to ensure comparability between organisations. Data submissions were individually validated using the following established validation techniques:

- Trend and variance analysis
- Outlier interrogation
- Inter-PI consistency checks
- Cross-referencing with external data (most notably HouseMark's annual core submissions)

Where trend analysis has been supplied in this report, historical data is sourced from HouseMark annual core returns (unless otherwise stated). In these instances, a consistent cohort has been maintained by only using historical data for those organisations who participated in the 2016 exercise.

Throughout this report we refer to the 'average'. Unless otherwise stated, this refers to the median average, rather than the mean. This report also makes extensive use of quartiles to assist with understanding. Generally, upper quartile refers to low complaints / call volumes and low cost. However, a high number of complaints in particular is not necessarily a bad thing, and could in fact reflect a more proactive and open approach to gathering customer feedback.

Please note that area cost adjustments have NOT been applied to any cost data in this report.

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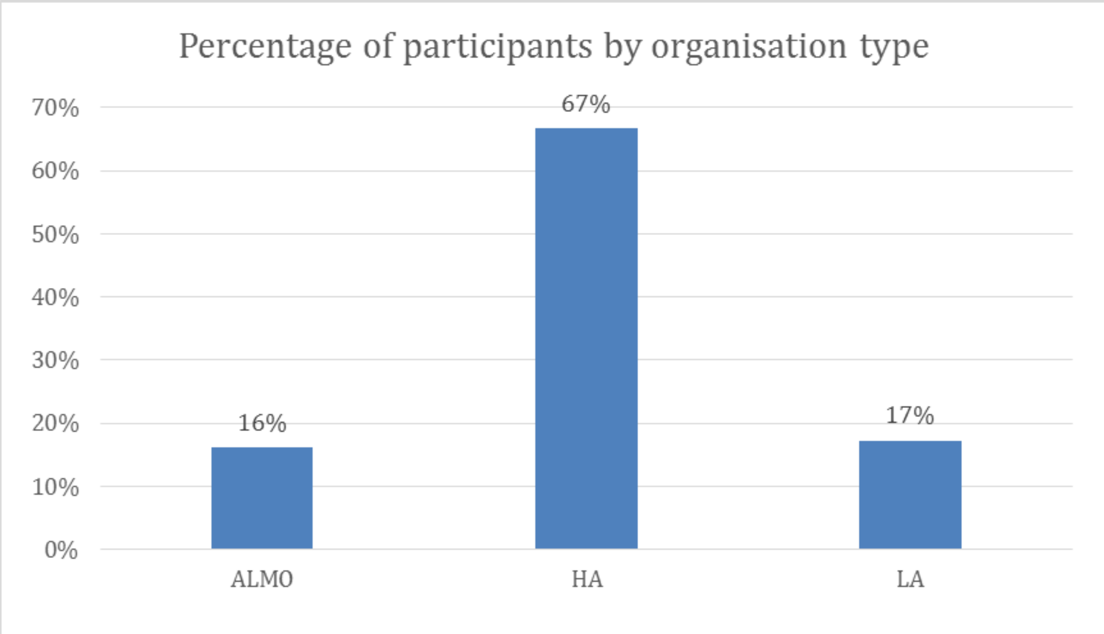
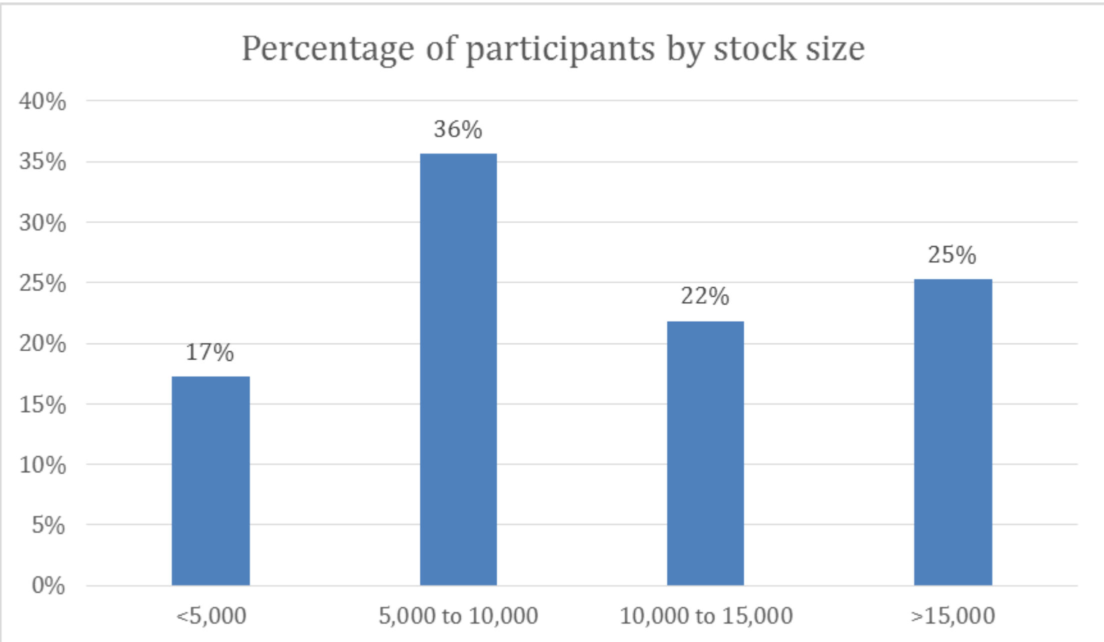
2. Participant profile

2.1. Organisation type



A large majority of the participants were Housing Associations as the above bar chart illustrates, and Local Authorities and ALMOs made up a third of the group.

2.2. Organisation size



Participants comprised a broad cross section of organisations by size. Organisations with between 5,000 and 10,000 units formed the largest group and those with fewer than 5000 units were the smallest group.

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2.3. Geographic distribution

Participants of this exercise included housing providers from England, Scotland and Wales. Please see the table below for the percentage of participants by region/country.

Note that the region/country each organisation is allocated to refers to the location of their head office. Many of the larger participating housing associations in practice operate across a number of regions.

Region/country	Participants
East	7%
East Midlands	9%
London	23%
North East	2%
North West	22%
South East	9%
South West	8%
West Midlands	8%
Yorkshire and Humber	3%
Wales	2%
Scotland	6%

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3. Complaints

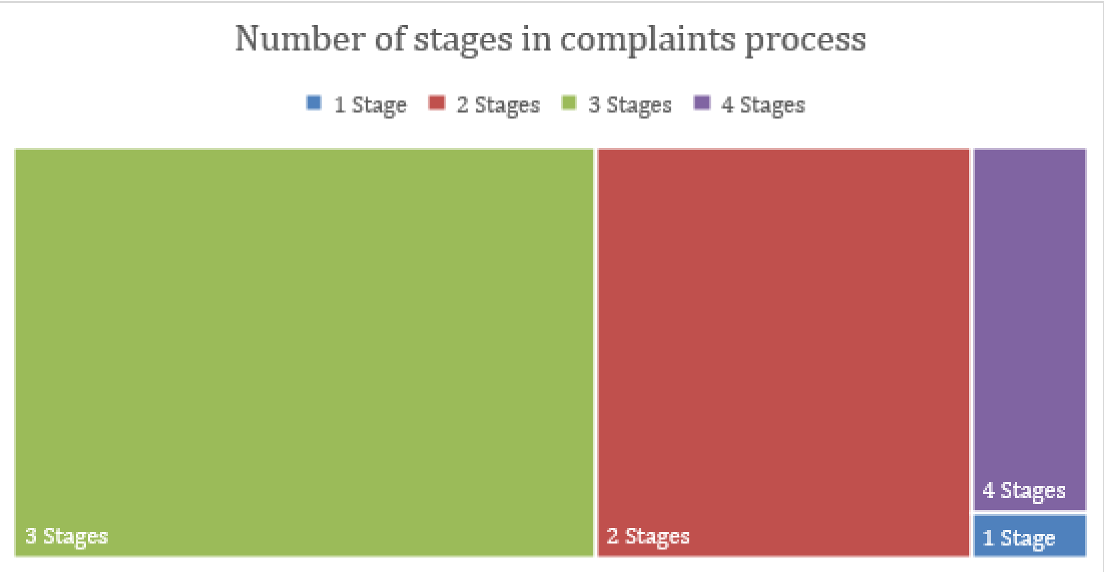
3.1. Complaints – management

3.1.1. Number of stages

Questions have been raised across the sector about the efficiency of a 'stage' based complaints process, and whether a more 'resolution' based approach would be beneficial. A 'stage' based complaints process is a standardised approach to handling complaints, which is compulsory for Scottish and Welsh housing providers, and widely adopted by English organisations. This approach allows the complainant to escalate their complaint, to be reviewed by a higher level of authority within the organisation if they are dissatisfied with the response.

A 'resolution' based complaints process does not give the complainant the option of further stages of escalation (with the exception of the Housing Ombudsman). Instead, the complaint is dealt with in its entirety by a member of staff, until a satisfactory resolution has been reached. It is thought that this approach could lead to increased satisfaction in this area, as well as reduced costs through implementing a leaner process.

Participants of this exercise were asked how many stages they currently have in their complaints process, and to include informal (also known as 'stage 0') complaints as one stage if applicable, but to exclude referrals to the Housing Ombudsman.



54% of participants confirmed that they have three stages in their complaints process, and 35% have two stages. Currently, only one participant has adopted the 'resolution' based approached which is represented in the above chart by a one stage process.

3.1.2. Informal complaints

An 'informal' complaint, sometimes referred to as a stage 0 complaint, is an initial expression of dissatisfaction that is resolved at the first point of contact.

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A formal complaint is where dissatisfaction has been raised and the complainant would like it to be resolved in line with the organisation's complaints policy.

Not all organisations record informal complaints. Collecting data on informal complaints can provide challenges to organisations in recording and monitoring information, however, it can capture early signs of customer dissatisfaction and possible service failure.

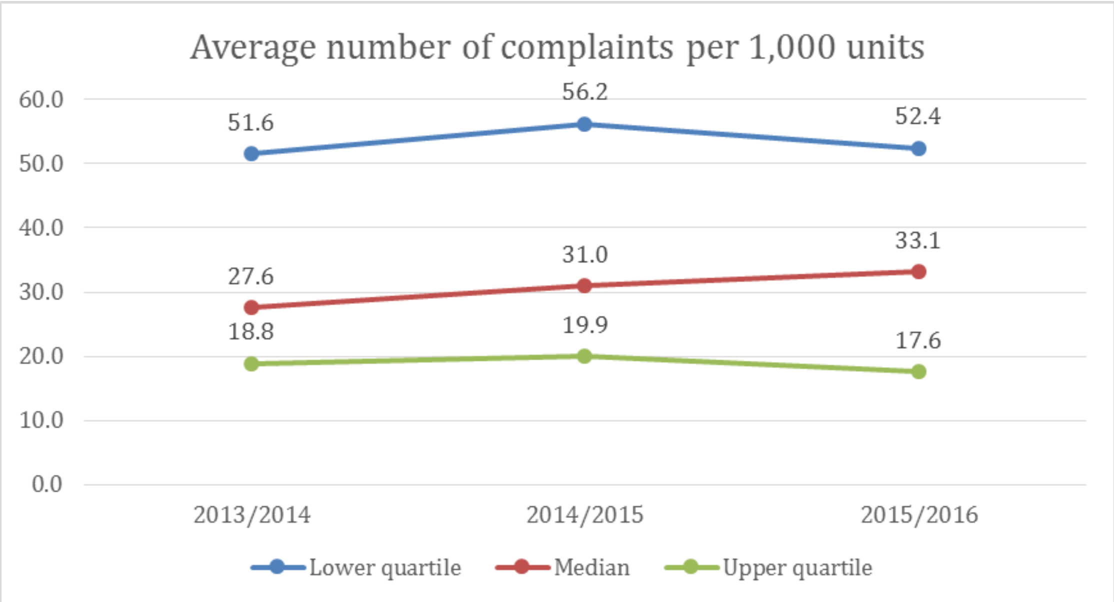
This exercise revealed that 54% of participants do record informal complaints and 46% do not.

3.2. Complaints - volumes

3.2.1. Average number of complaints

Each participant was asked to provide the total number of complaints received during 2015/2016. To count a complaint for this measure, it must be an initial expression of dissatisfaction which has not been previously raised by the complainant, and should include all informal complaints. This figure was then used to calculate the average number of complaints per 1,000 units to allow comparisons to be made across participants of varying sizes.

The data shows that the average landlord can expect to receive just over 33 complaints per 1,000 units managed per year. There have been slight fluctuations in the volume of complaints received over the last three years, however the median figures show a steady increase of 5.5 (per 1,000 units) since April 2013.



According to the key challenges cited by the participants of this exercise, many expect the number of complaints to increase over the coming years. The main reasons for this are an increase in customer expectations, combined with many housing providers having to strip back services to make up for expected reductions in funding (most notably the 1% rent cut applied to English landlords per year for the next four years).

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3.2.2. Complaints by service area

Participating organisations also provided a breakdown of complaints received by the main service area they related to. These included the following;

- Housing Management (to include rent arrears and collection, anti-social behaviour management, lettings, tenancy management and resident involvement)
- Property Services (to include responsive repairs, void works, major works and cyclical maintenance)
- Customer Services (to include contact centre and reception staff)
- Estate Services
- Other (to include any area not covered above)

Comparing a breakdown of complaints received by service area can help organisations understand how 'normal' they are, and whether there are any areas attracting a higher number of complaints than expected.

The stacked bar chart below shows the average percentage of complaints received for each service area. Property Services receives the highest percentage of complaints, followed by Housing Management[1].

[1] Note that the total in the bar chart is greater than 100% as some complaints can be about more than one service area. Furthermore, the aggregate of component medians may not necessary equal the total median.

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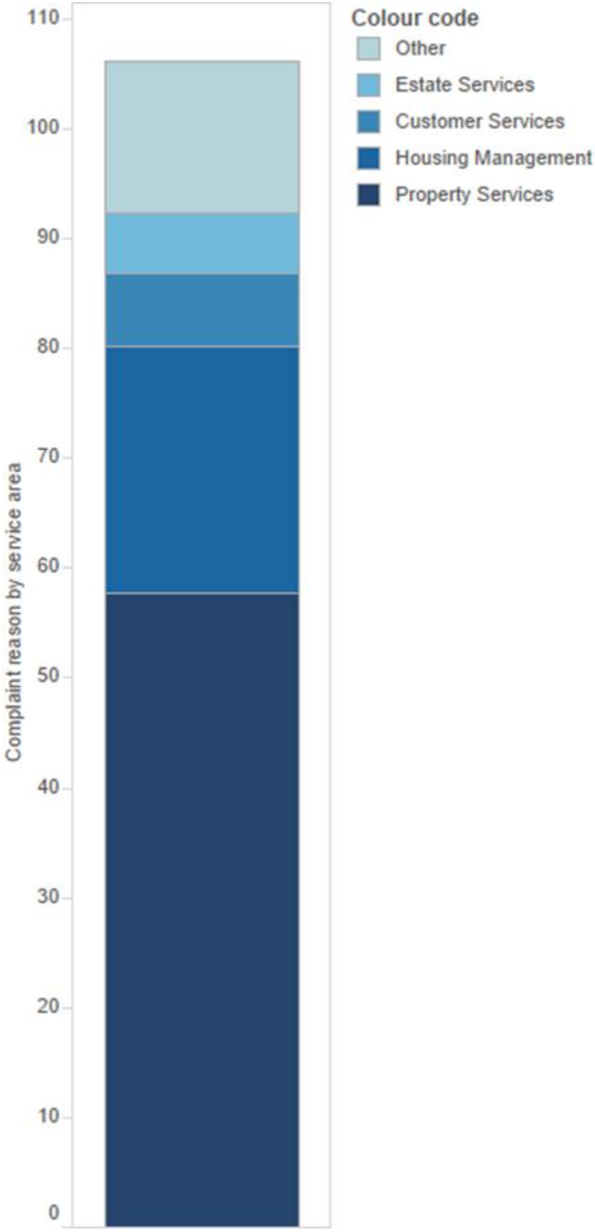

As part of this exercise, participants confirmed that they expect to see an increase in the number of complaints received regarding Property Services and Housing Management functions (specifically in relation to rent arrears and collection) over the next two years. The main reason for this is because many organisations are stripping back their existing services due to financial pressures. For many, this has involved reviewing their repairs and maintenance policy to identify any areas where the tenant can now take responsibility, along with cutting back on major works programmes.

Participants also predict that the number of complaints regarding rent arrears and collection will increase as Universal Credit is rolled out more widely across the sector.

3.2.3. Nature of failure

Participants were also asked to categorise the complaints received by nature of the failure. These categories included;

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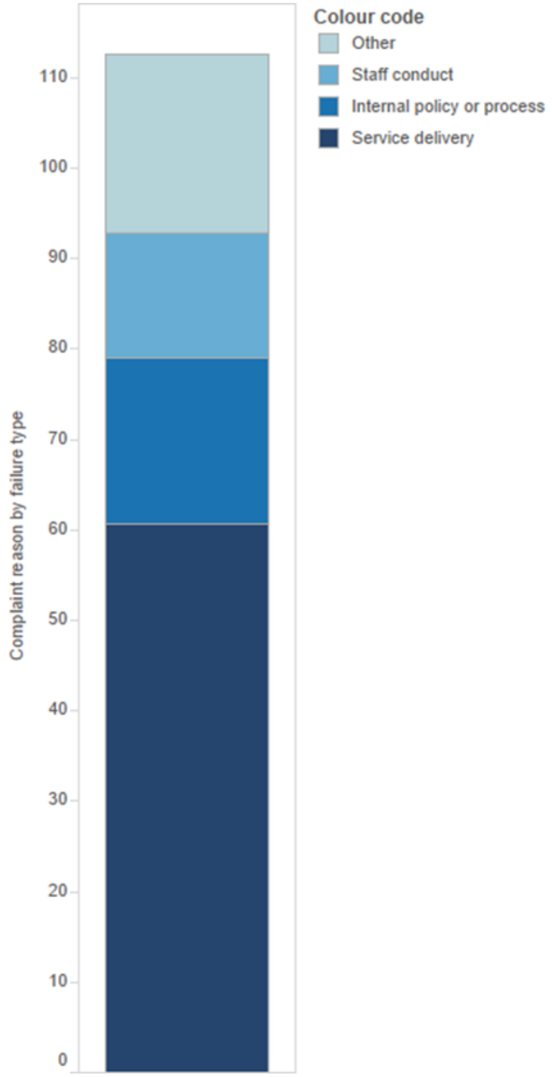
- Internal policy or process (to include complaints where the resident was unhappy with an agreed organisational policy or process, such as the target time for completing a non-urgent repair etc.)
- Service Delivery (to include complaints about the poor/incorrect handling of a service request, such as inadequate repair work, or failure to cut the communal grass etc.)
- Staff Conduct (to include complaints about staff members being rude, unhelpful or not following through with what they have advised they will do)
- Other (any other complaint that does not fall into the above categories)



As with section 3.2.2, providing a breakdown of complaints by the nature of failure can help identify what is 'normal'. The stacked bar chart above illustrates that service delivery failures are the biggest cause of complaints across the participating organisations[2].

[2] Note that the total in the bar chart is greater than 100% as some complaints can have more than one nature of failure. Furthermore, the aggregate of component medians may not necessary equal the total median.

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3.3. Complaints - resourcing

3.3.1. Handling of complaints – employee responsibility

The way complaints are handled varies between organisations. The three main employee groups who are responsible for handling complaints are;

- Dedicated complaints coordinator or team
- Service managers and operational staff
- Both dedicated complaint coordinator and service managers and operational staff

As the bar chart above illustrates, the most popular approach to handling complaints is to have both a dedicated complaints team/coordinator and the help of service managers and operational staff.

The data indicates that there is no correlation between the approach taken to handling complaints and stock size, however those organisations that adopt an approach of both a dedicated complaints team/coordinator and the help of service managers/operational staff do report more complaints per 1,000 units, on average, as the below bar chart shows.

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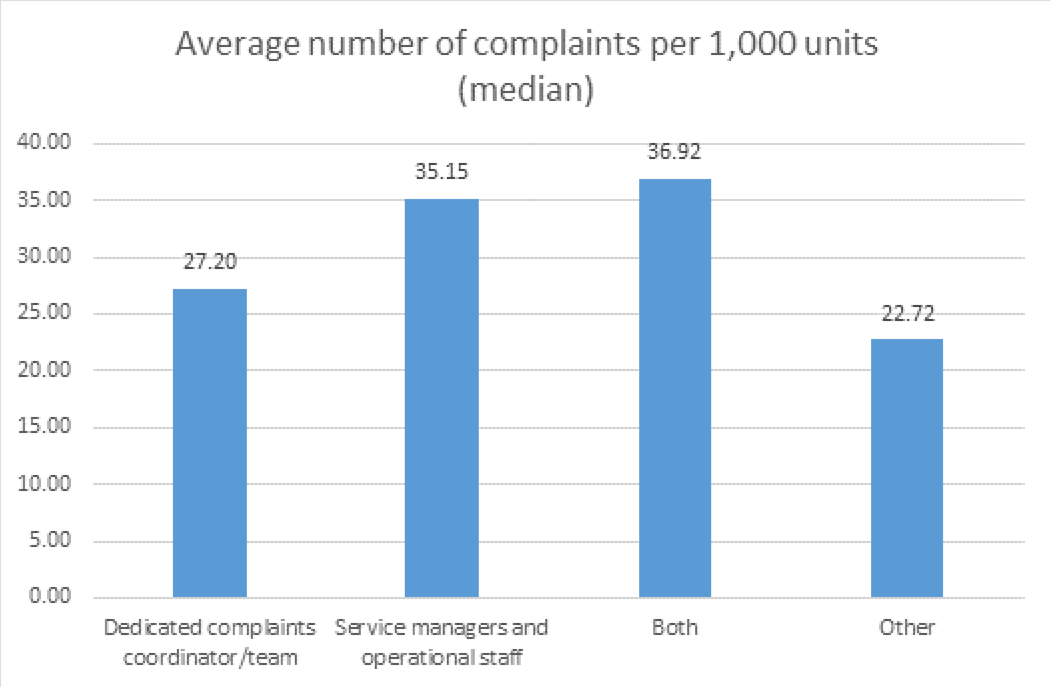

3.3.2. Average number of employees

Participants with a dedicated complaints coordinator or team were asked to provide the employee costs (salary plus on-costs), and the whole-time-equivalent (WTE) for these roles only. Time spent on complaints by anyone outside of the dedicated complaints roles was excluded due to the complexity of collecting this data.

47 participants with a dedicated complaints coordinator or team were also able to provide the WTE specifically for these roles. The figures provided have been divided by the total stock numbers to establish the average number of WTE dedicated to the handling of complaints per 1,000 units.

	Average number of WTE (per 1,000 units) dedicated to the handling of complaints
Upper quartile	0.09
Median	0.15
Lower quartile	0.23

This means that an average full-time dedicated complaints employee covers 6,667 units and deals with 221 complaints per annum.

3.3.3. Average employee cost

41 participants with dedicated complaints coordinators or teams were able to provide employee cost data. The total employee cost has been divided by the number of complaints resolved to enable comparisons between organisations of different sizes. This also gives an indication of the cost of dealing with a complaint. However, it should be noted that the true cost will be higher, as the below figures exclude the cost of other staff

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involved in dealing with complaints, exclude compensation payments (if any) and also exclude any overheads.

	Average employee cost per resolved complaint
Upper quartile	£81.17
Median	£139.10
Lower quartile	£214.04

Based on 33.1 average complaints per 1,000 units per annum, this equates to around £4.60 spend per unit on dedicated complaints staff.

3.3.4. Possible cost drivers

When analysing resourcing data by organisation profile, three significant correlations were found.

Volume of complaints
Unsurprisingly, our research found one of the main drivers for complaints spend is the volume of complaints. The table below shows the cost per property of dealing with complaints (based on expenditure on specialist complaints staff divided by the number of units, for participants with specialist complaints staff only) compared to the total number of complaints responded to within the period.

Total number of complaints resolved with the year	Median cost per property of dedicated complaints staff
Fewer than 200	£3.29
200 to 500	£4.60
Over 500	£5.38

Number of stages
When looking at the data in comparison to the number of stages in a complaints process, a greater number of stages does broadly increase the resourcing required, as demonstrated in the table below.

	Average employee cost per resolved complaint	Average WTE dedicated to handling complaints per 1,000 units
2 stages	£134.40	0.14
3 stages	£139.10	0.14
4 stages	£225.48	0.19
Overall	£139.10	0.15

Note: The one organisation that had a one stage process does not have a dedicated complaints coordinator or team, so one stage figures are excluded from the above table. Only four organisations that were able to supply cost data had four stages in their complaints process, so four stage medians should be viewed with caution.

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Informal complaints
On average employee costs and WTE are also higher for those organisations that record informal complaints. This could be a reflection of the additional work required to record and monitor informal complaints.

	Do you record informal complaints?	
	Yes	No
Number of WTE (per 1,000 units) dedicated to the handling of complaints	0.17	0.12
Average employee cost per complaint resolved within the period	£160.00	£131.75

3.3.5. Compensation

70% of participants in this exercise had a least one complaint where compensation was awarded. The median amount of compensation paid per complaint where compensation was paid was £145.48.

	Compensation amount per complaint where compensation was awarded
Upper quartile	£ 102.70
Median	£ 145.48
Lower quartile	£ 232.66

Some participants of this exercise have identified that over the next two years they will be working to reduce the amount of compensation awarded as a way to reduce overall spend. Currently, the median percentage of complaints resolved that receive compensation is 8.61%.

	Percentage of resolved complaints where compensation was awarded
Upper quartile	4.24
Median	8.61
Lower quartile	14.60

This means that an average organisation is spending around 43p per unit per annum on compensation.

3.4. Complaints - performance

3.4.1. Response times

90.4% of participants have a target number of days for responding to formal complaints[3].

The box plot below shows the percentage of formal complaints responded to within the organisational target, with the median value being 92.81%.

[3] In Scotland, these targets are set by the Scottish Public Services Ombudsman (SPSO).

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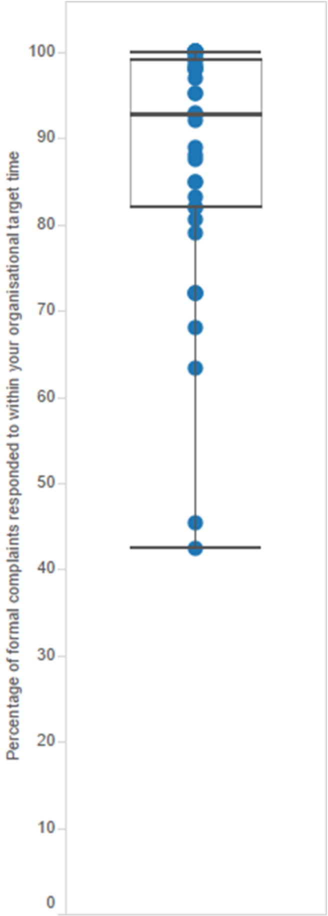

3.4.2. Average time taken to respond to a formal complaint (in working days)

Participants were asked to provide the average number of working days taken to respond to a formal complaint in full. Please note that informal complaints were excluded from this measure.

The data shows a median response time of 10 days.

	Average time taken to respond to a formal complaint (in working days)
Upper quartile	8.00
Median	10.00
Lower quartile	14.79

No significant correlation was found between the average time taken to respond to a formal complaint and the number of stages in an organisation's complaints process.

3.4.3. Escalation rates

Participants were asked to provide the number of informal complaints that were resolved without escalation to the formal complaints process. This data was only provided by the 54% of participants that record and monitor informal complaints.

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According to the key challenges provided by participants, resolving complaints at first contact is becoming of increasing importance as a way of addressing two key priorities;

- Reducing staff time, and associated costs, of complaints being escalated
- Increasing complainant satisfaction

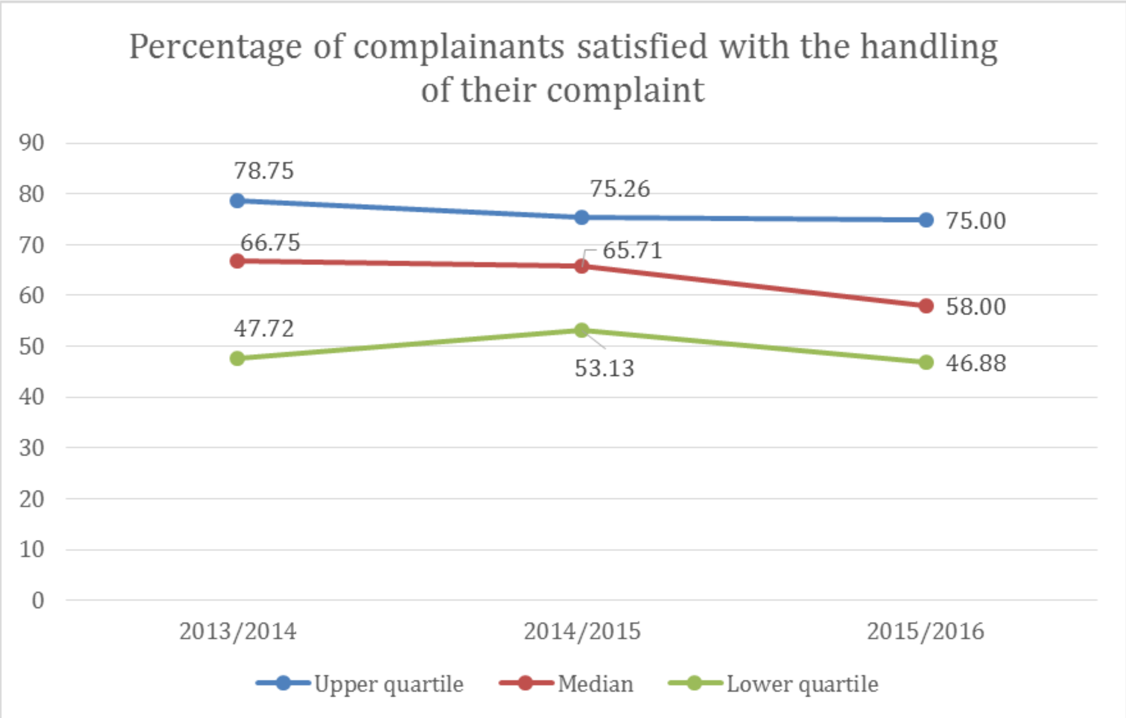
	Percentage of complaints responded to in full without escalation
Upper quartile	93.69
Median	88.85
Lower quartile	78.32

The data shows that the median percentage of complaints responded to in full without escalation is 88.85%. No significant correlation was found between this measure and the resourcing of complaints, i.e. the data did not show that lower escalation rates equates to lower resourcing. Nor did the available data show any correlation between escalation rates and satisfaction.

3.5. Complaints – satisfaction

Participants of this exercise identified that improving satisfaction with the handling and the outcome of complaints is key priority over the next two years. 49.4% of participants provided information on complaints satisfaction in line with HouseMark's StarT methodology.

3.5.1. Satisfaction with complaint handling



Trend analysis shows that satisfaction with complaint handling has dropped almost 9 percentage points at the median since 2013. However, these results should be treated with caution, as prior year's data did not need to be StarT compliant.

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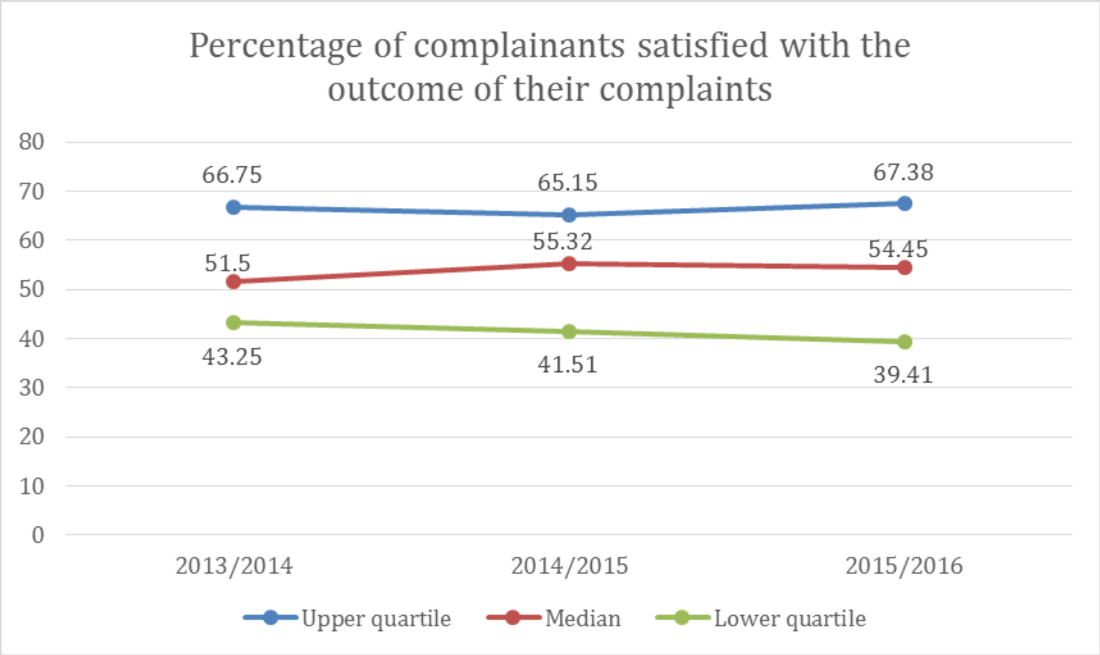
3.5.2. Satisfaction with complaint outcome



Interestingly, while satisfaction with complaint handling has decreased over the last three years, satisfaction with the outcome of complaints has increased by almost 3 percentage points at the median. This could reflect a shift in focus away from the complaints process towards the outcome.

3.5.3. Satisfaction drivers

Satisfaction results were analysed against the full range of detailed complaints data we collected as part of this exercise. This included profile data, resourcing and performance measures. Two main drivers for satisfaction were picked up as a result of this analysis.

Responding to complaints within target

Most organisations publish their response targets in a publicly available complaints policy, which sets out what the complainant can expect. 'Doing what you say you will do' was ranked second to staff competence in a recent survey carried out by UKCSI[4], so it could be expected for there to be a direct correlation between the percentage of complaints responded to within target when compared to satisfaction levels. This is illustrated in the two scatter plots below.

[4] Customer Satisfaction on the rise according to UKCSI - Contact-Centres.com. Available at: http://contact-centres.com/customer-satisfaction-on-the-rise-according-to-ukcsi/.

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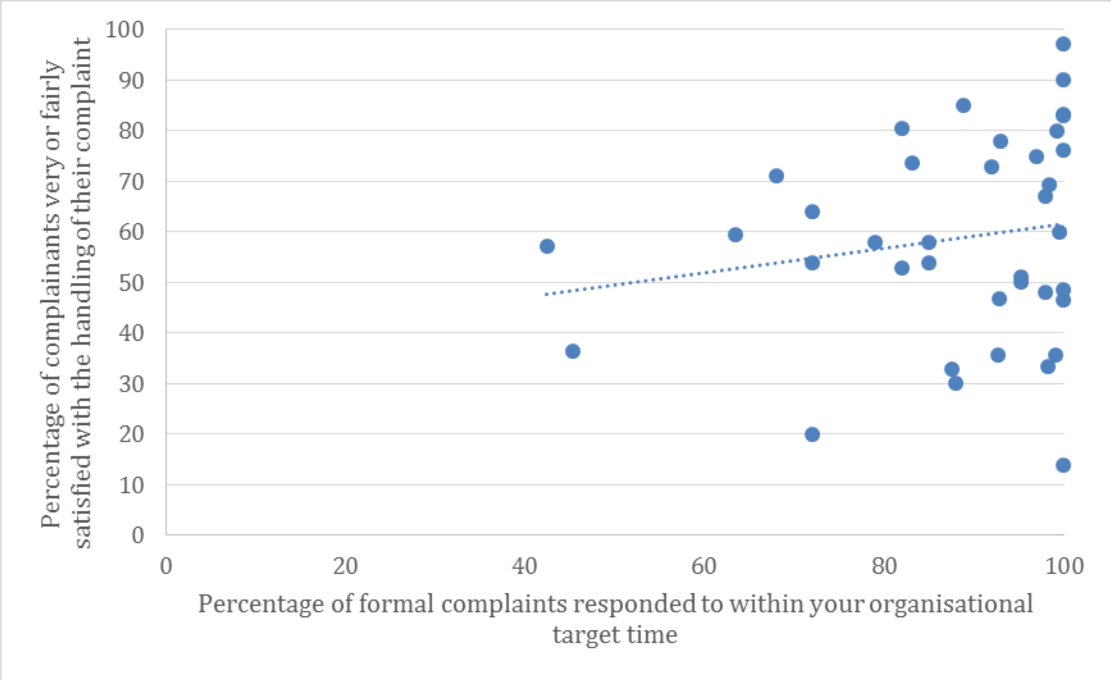

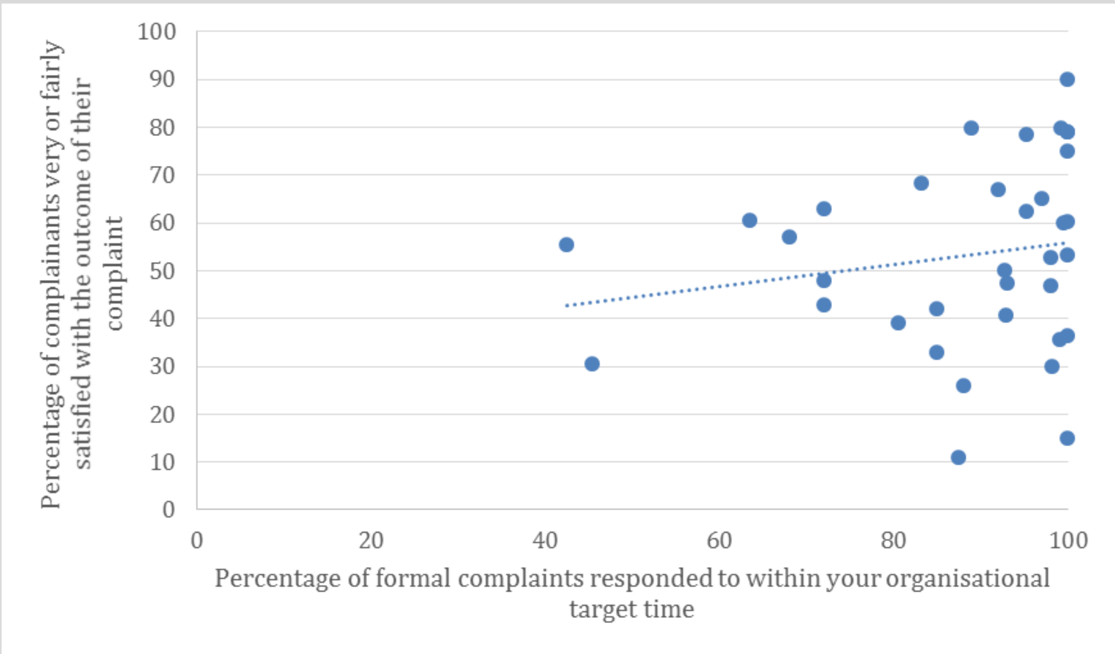

Compensation

When looking at satisfaction levels, the data shows that there is a weak correlation between those organisations that have a higher percentage of complainants that receive compensation and satisfaction with the outcome of the complaint, as the graph below illustrates.

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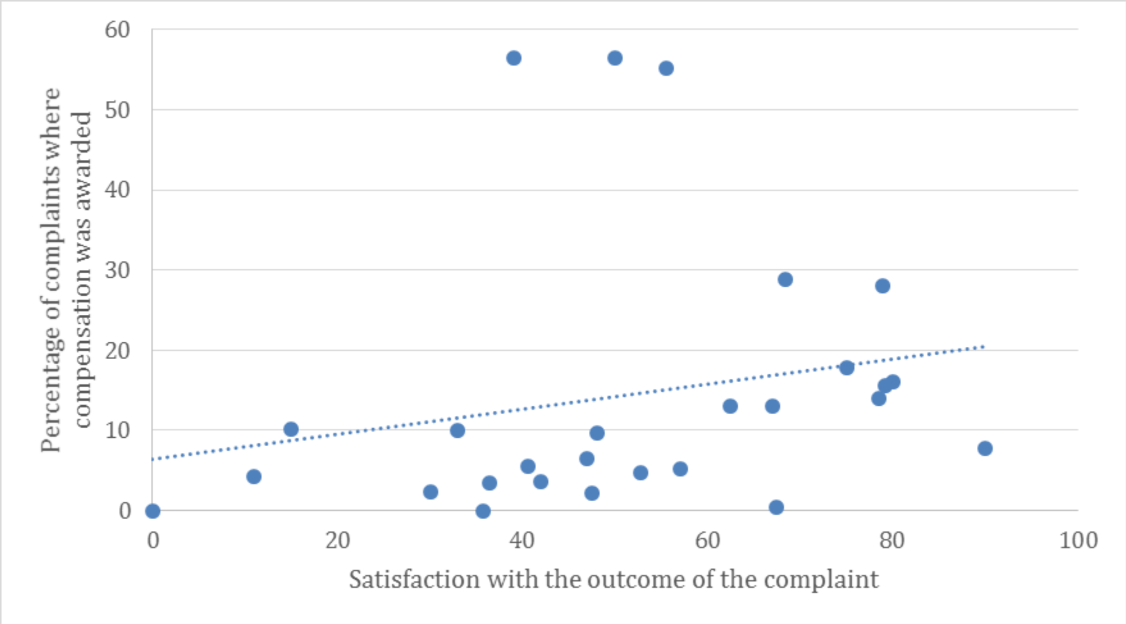
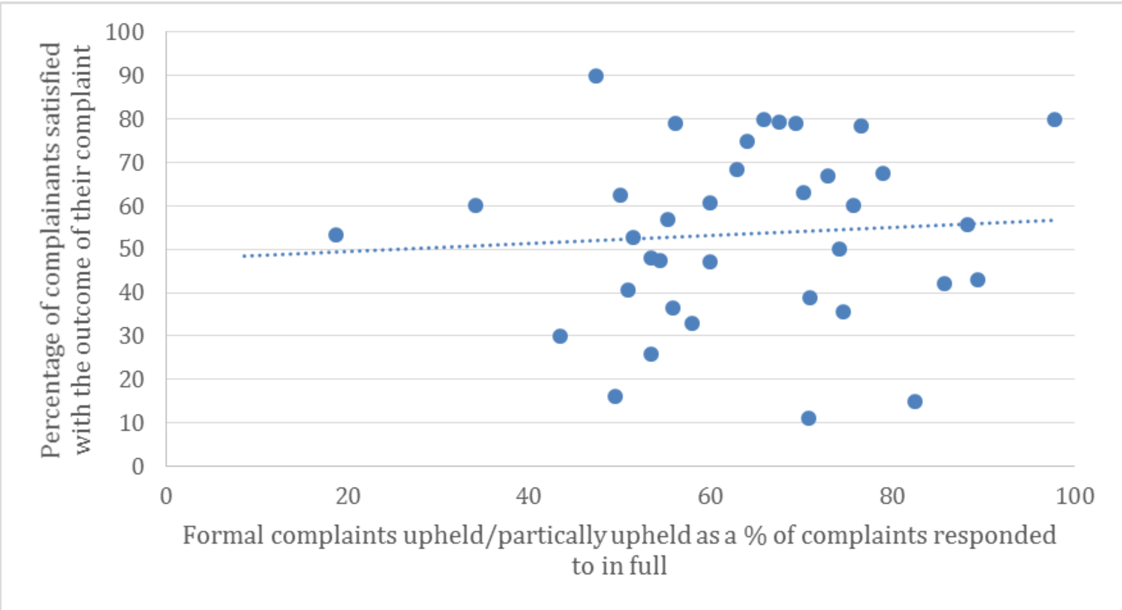


Complaints upheld
Complaints upheld or partially upheld as a percentage of all complaints resolved within the period has also been analysed to determine if this has an impact on satisfaction with the outcome of complaints. Only a very weak positive correlation was found as the scatter plot below illustrates.



3.6. Complaints – key challenges

Each participant of this exercise was asked what key challenges they believe their organisation will face over the next two years with regards to complaints. This resulted in common and fairly consistent responses across the participants, which are displayed in the word cloud below.

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This illustrates the top five key challenges as identified by participants are;

- Managing an increase in customer expectations
- Learning from complaints
- Channel Shift (a process organisations are going through to adopt a variety of different communication channels, allowing contact to be made in the most convenient and efficient way for both the resident and the organisation)
- Expected increase in complaints due to change in service delivery across the organisation (due to a reduction in spend)
- Implementation of new complaints systems

3.7. Complaints – summary

The key findings of this exercise relating to complaints are:

- The cost of an average complaint is around £150 (including specialist complaints staff and average compensation, but excluding any time spent by non-specialist complaints staff and overheads).
- The average spend per unit on complaints is around £5 (specialist complaints staff and compensation only).
- Complaints volumes have on average increased over the past three years and are expected to increase further.
- The number of stages in a complaints process and whether or not the organisation records informal complaints have an impact on resourcing levels.
- The number of stages in a complaints process and escalation rates do not have a noticeable impact on performance or satisfaction.
- The main driver for satisfaction (from the data collected) is responding to a complaint within your stated target time, although upholding the complaint and paying compensation also have a smaller impact.

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4. Contact Centres

4.1. Contact centre – management

4.1.1. Contact centre type

Participants of the exercise were asked to confirm what contact centre type they were benchmarking out of the following three options;

- Customer service call centre (only dealing with customer service issues and not repairs and maintenance)
- Repairs and maintenance call centre only
- Multi-functional call centre (covering the full range of customer service and repairs and maintenance functions)

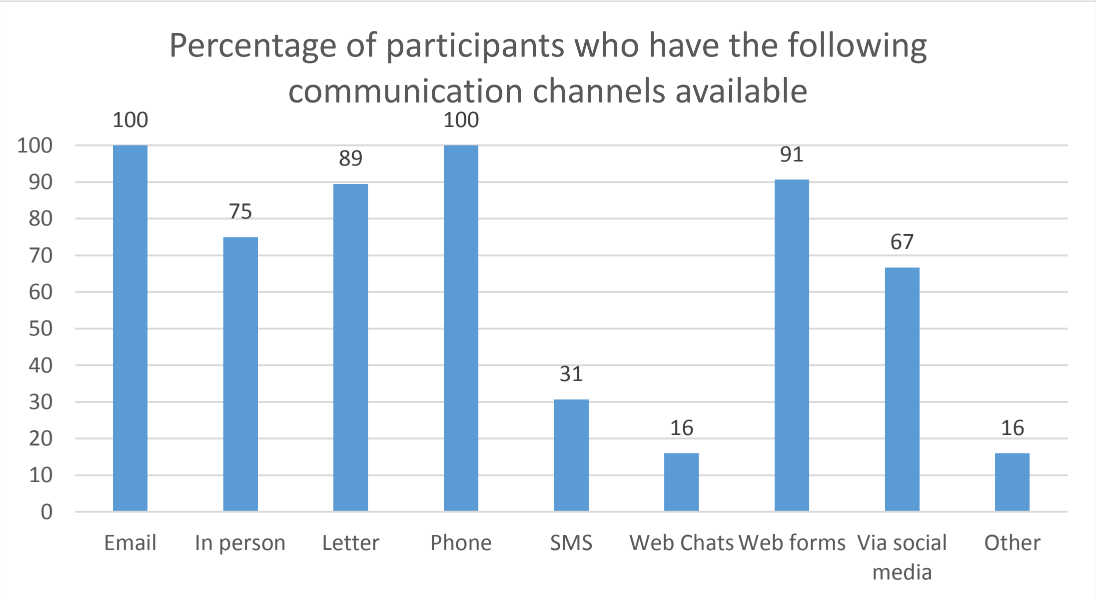
A breakdown of the number of participants with each contact centre type is shown in the table below.

Contact centre type	Number of participants
Customer service call centre	21
Repairs and maintenance call centre only	8
Multi-functional call centre	48

Please note that 10 participants did not confirm their contact centre type which is why they have been excluded from the above figures.

4.1.2. Communication channels

Participants of the exercise were also asked to indicate what channels of communication are available to their customers. The bar chart below illustrates the percentage of participants who have each type of channel currently available. Not surprisingly, all organisations have the option of phone or email. The third most common channel available is web forms, with SMS and web chat communications being the channels that have not yet been adopted by many participants.



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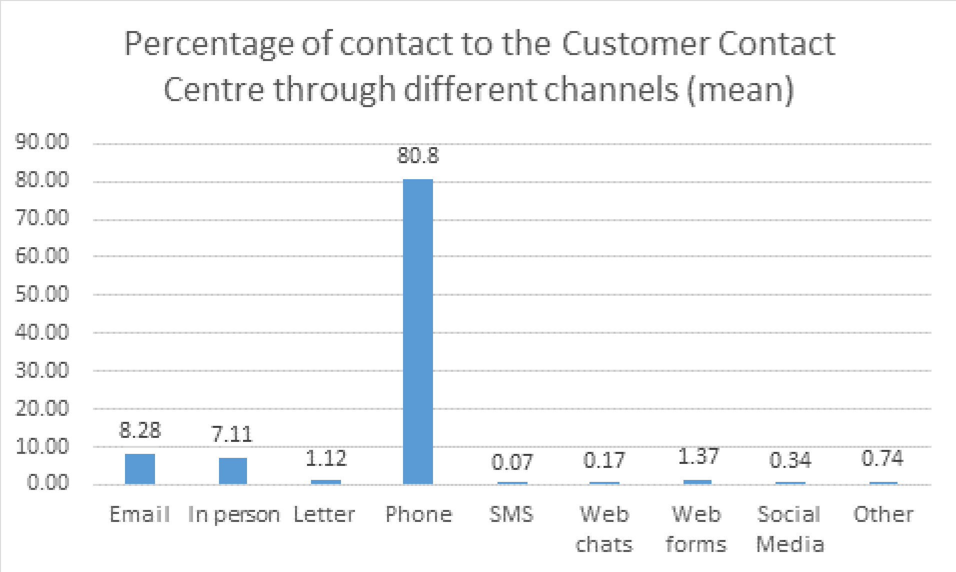
It's interesting to look at the range of communication channels available, compared to which channels are chosen by customers.



As the bar chart above illustrates, most customers are contacting their landlord by telephone, with a mean average of 80.8% of all contact being made this way[5].

An article published by Contact-Centres[6] (online) on managing multi-channel communication in contact centres suggests that customers choose a channel based on how important their query is and how quickly a response is needed. For example, public facing social networks will be used to express dissatisfaction, and email is likely to be used when a more formal response is required. However, if the issue at hand is deemed urgent by the customer and an immediate response is required, phone or web chats are the first choice.

51% of the participants of this exercise stated that managing 'Channel Shift' will be one of their biggest challenges over the next two years.

Across the sector, organisations are at varying stages of introducing new methods of communication. However, some participants have managed to achieve more than 23% of all contact being through a channel other than the telephone. These alternative channels include those outlined above, such as email, web forms and via social media for example.

4.2. Inbound calls - volumes

4.2.1. Average number of calls

When looking at the average number of inbound calls per unit, there have been very minor fluctuations over the last three years, with the median value increasing from 9.78 to 10.09 since April 2013.

[5] Note that in this instance the mean average has been used as for some categories a significant number of participants reported 'zero'.
[6] Contact-Centres.com. 2016. Managing multi-channel Communication in Contact Centres - Contact-Centres.com. [ONLINE] Available at: http://contact-centres.com/managing-multi-channel-communication-contact-centres/.

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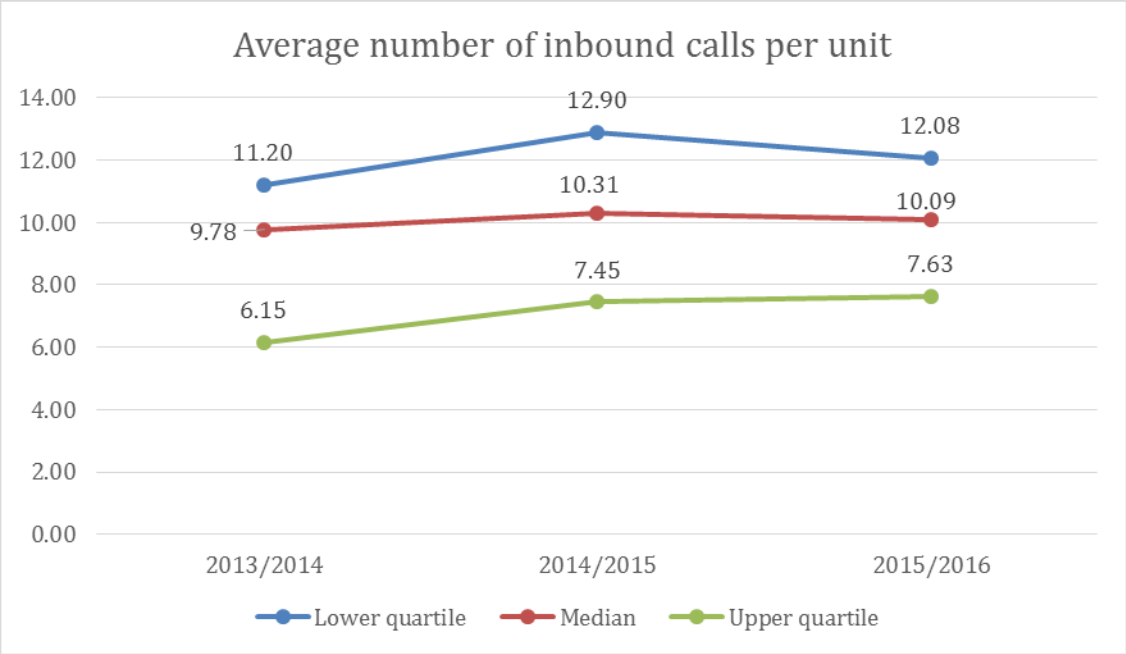

Participants in this exercise are expecting an increase in call volumes over the next two years. It is thought these increases will in part be a result of changes in services delivery as organisations implement efficiency savings. However, as 'Channel Shift' becomes more prominent across the sector, we could expect the number of actual calls to the contact centre to decrease, and contact through alternative channels to rise.

4.2.2. Calls by service area

As with the complaints data provided, participants were asked to identify which service area each call they received was regarding. While the exercise went into more detail, many participants were only able to categorise call reasons at a higher level, and therefore the following high-level service areas have been used;

- Housing Management (to include calls regarding rent arrears and collection, anti-social behaviour, lettings, tenancy management and resident involvement)
- Property Services (to include calls regarding responsive repairs, void works, major works and cyclical maintenance)
- General enquiries (to include calls about opening hours, office locations, organisational policies/processes etc.)
- Estate Services and Environmental issues (to include calls about the cleaning and upkeep of communal areas, fly-tipping etc.)
- Non-housing queries (to include calls for non-housing issues, for example, incorrect number, phone calls from staff members calling in sick, calls for another service area if LA)
- Switchboard (callers asking to be put through to a specific employee)
- Other (to include any area not covered above)

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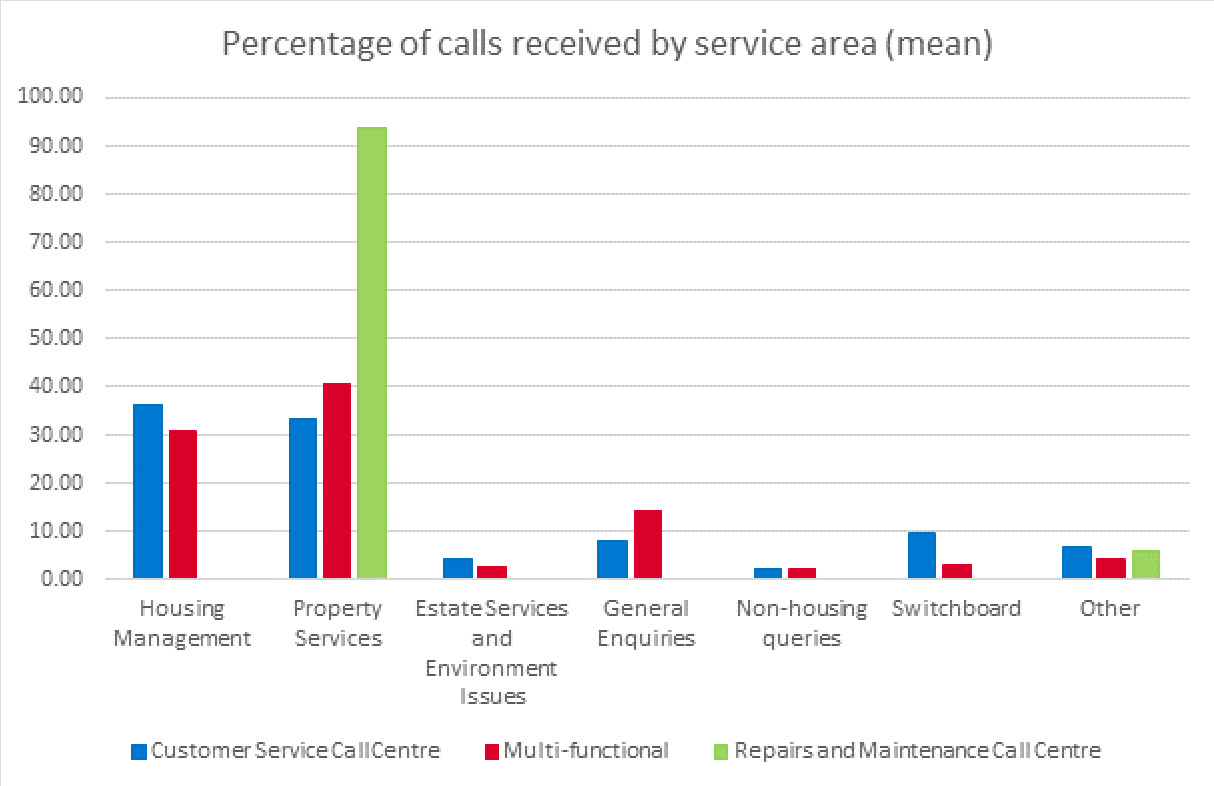

Similarly to complaints, categorising the reason for inbound telephone calls can help organisations determine how 'normal' or expected it is to be receiving high call volumes for certain service areas.

As the bar chart above illustrates, both multi-functional and customer service call centres receive the highest call volumes regarding Housing Management and Property Services issues.

Comparing these results with historical data taken from the Mpathy Social Housing Contact Survey[7] in March 2010, this trend remains unchanged. The Mpathy report found that in 2010 the most common reason for calling the organisation was responsive repairs queries, closely followed by rent-related matters.

In line with the anticipated increase in complaints, participants of this exercise are also expecting calls relating to repairs and maintenance, and rent arrears and collection to increase over the next two years. More queries are expected around repairs and maintenance as services are stripped back in order to reduce spend. The roll out of Universal Credit will also create a group of customers that will have to contact the organisation about rent collection, where previously this was not the case.

[7] Mpathy Plus Social Housing Contact Survey (2009)

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4.3. Contact centre – resourcing

4.3.1. Employee time allocations

Participating landlords were asked to provide details of staff working in their contact centre. These details include WTE staff numbers (split between managers / supervisors and agents)[8] as well as costs (including salary, national insurance, pensions and on-costs). The day-to-day duties of a contact centre agent are evolving as a variety of communication channels are now available to the customers. Participants were therefore asked to apportion their contact centre agents' time into the following categories;

- Answering inbound telephone calls
- Making outbound telephone calls
- Dealing with web chat enquiries
- Responding to emails
- Responding to web form enquiries
- Responding to letters
- Responding to social media enquiries
- Responding to SMS enquiries
- Dealing with residents face-to-face
- Administration tasks
- Other

Not surprisingly, the large majority of their time is spent answering inbound telephone calls, given that just over 80% of customers still make contact with organisations by telephone (see section 4.1.2). See stacked bar chart below.

[8] For local authorities, only HRA staff were included

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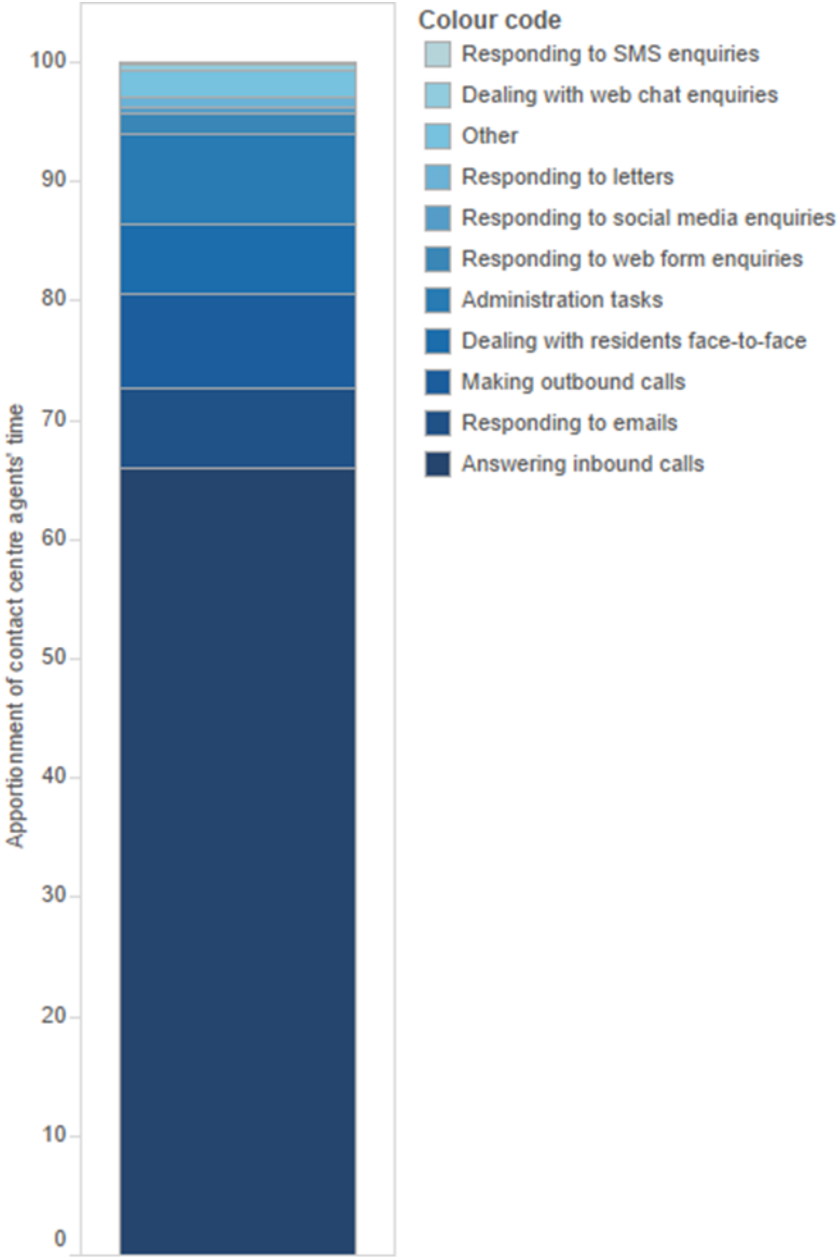

4.3.2. Average number of employees

Resourcing a contact centre correctly to meet the demands of the customers is key to achieving high performance levels. Each participant was asked to provide the average number of WTE employees that are contact centre managers/supervisors and agents. For Local Authorities, this figure includes HRA staff only. This enabled the average number of WTE per 1,000 units, and the proportion that are managers/supervisors to be calculated.

The number of staff was then apportioned on the basis of the time allocations in section 4.3.1, to provide the number of WTE employees answering inbound telephone calls, per 1,000 calls answered.

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	Average number of WTE contact centre staff per 1,000 units	Average number of WTE contact centre staff (allocated to call answering) per 1,000 calls answered	Contact centre managers/supervisors as a percentage of all contact centre staff
Upper quartile	1.27	0.10	11.62
Median	1.74	0.12	14.85
Lower quartile	2.16	0.15	19.35

This means an average call centre staff member dealing entirely with inbound calls takes approximately 8,333 call per year.

4.3.3. Average employee cost

Each participant of this exercise was also asked to provide the employee costs for contact centre managers/supervisors and agents, including national insurance payments, pensions and on-costs. Like with WTE, these costs were apportioned on the basis of time spent handling calls (see section 4.3.1), and then divided by the number of calls answered to give an average cost per inbound telephone call. Please note that these costs are approximate and subject to time apportionments.

	Average employee cost per inbound telephone call answered
Upper quartile	£1.93
Median	£2.92
Lower quartile	£4.14

4.4. Contact centre - performance

4.4.1. Calls answered

The percentage of calls answered is a popular performance measure that we also collect through our Core benchmarking return each year.

As the table below illustrates, there has been a significant increase in the number of calls answered as a percentage of calls offered of 12.43% (median value) since April 2013.

	2013/2014	2014/2015	2015/2016
Upper quartile	88.65%	95.56%	96.48%
Median	81.89%	92.19%	94.32%
Lower quartile	69.96%	86.07%	90.00%

Whilst this is undoubtedly good news for the sector, and may in part be down to improved call forecasting, our research also showed that the time taken to answer calls as well as the average time spent handling calls increased.

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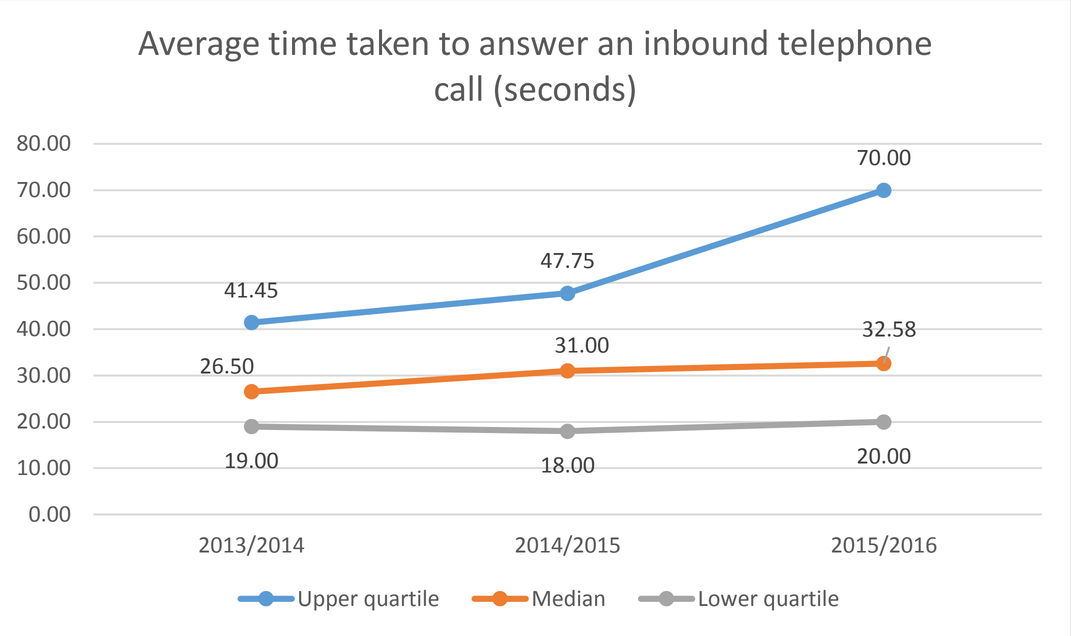
4.4.2. Average time taken to answer

78% of participants have an organisation target for the average number of seconds to answer an inbound telephone call. The target times range from 5 to 180 seconds, with 20 seconds being the most common.

The average time taken to answer a call has increased by just over 6 seconds at the median over the past three years. The increase at the lower quartile is even greater, although the top quartile increase is only minor.



4.4.3. Average call handling time

The exercise also collected data on average call handling time.

The average call handling time is calculated from the time a call is answered by a contact centre agent, to the time the call is terminated or transferred. For the purpose of this report, average handling time also includes any wrap time associated with the call.

The average call handling time across all participants was just over 280 seconds. When comparing this to Mpathy's 2010 data[9], the overall average handling time was 253 seconds. This shows that on average, since 2010, there has been an overall increase of around 27 seconds across all contact centre types.

A relatively strong correlation was discovered between the average number of seconds taken to answer an inbound telephone call and the average call handling time, as shown in the scatter chart below.

[9] Mpathy Plus Social Housing Contact Survey (2009)

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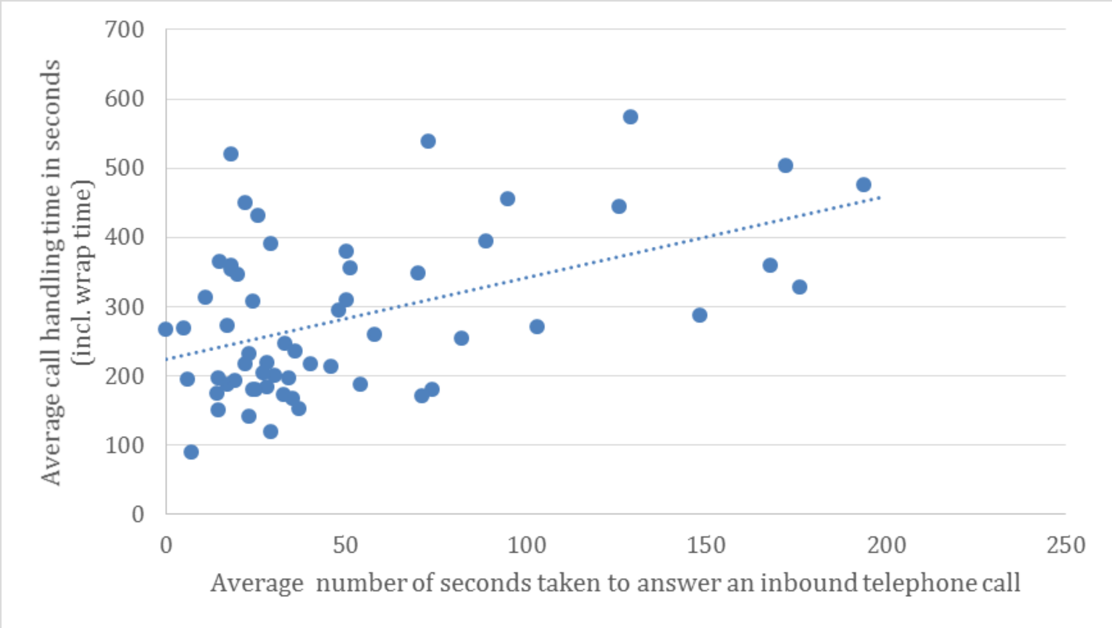

So whilst a greater proportion of calls are being answered, the average time to answer a call has increased, and call agents are taking longer to resolve the call.

We do not have the necessary data to explain the reasons for this, but possible explanations may include:

- A shift in focus towards resolving the call at the first point of contact
- Callers showing greater perseverance, possibly as a result of greater belief that their call will be resolved (or alternatively greater resignation that there is no 'good time to call')
- Better call-handling software (for example notifying the waiting caller of their position in a queue) that encourages the caller to continue to hold
- An increase in mobile phone usage making holding (for example while a mobile phone is on loudspeaker) less onerous

Many participants already recognise this trend and are not deterred by this. For many organisations participating in this exercise, the preference is to resolve the query at the first point of contact, which will often lead to an increased call handling time, even if this means the initial call waiting time is slightly longer. They believe that as a result, the customer should not need to make further contact with the organisation on that issue.

4.4.4. Avoidable contact

Avoidable contact is defined as the following;

- An unnecessary clarification by the customer
- Contact caused by poor signposting, or poor call transfer to social landlord or other services
- Repeat contact with the customer having to pass on the same notification of information to carry out transactions with the social landlord and its partners
- Customers progress chasing, asking for reassurance or making other unnecessary service delivery follow-up requests
- Repeat contact after premature closure of a previous contact

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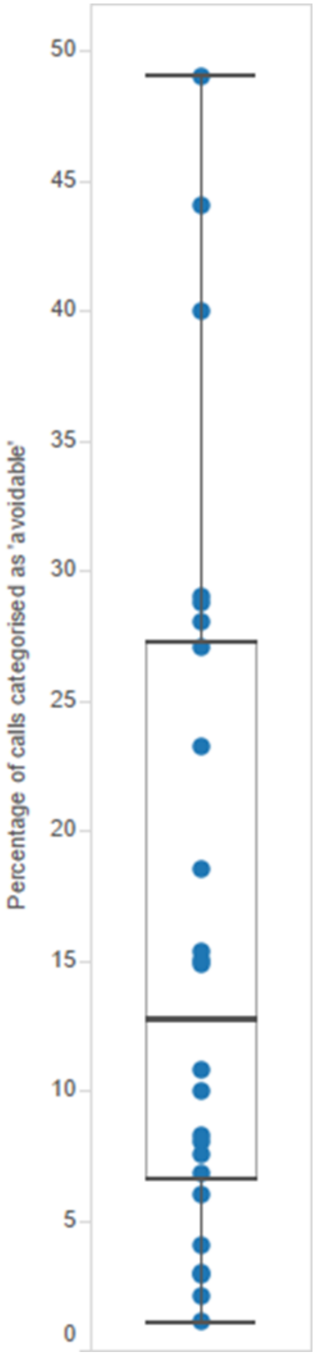
It is notoriously difficult across the sector to accurately compare information on avoidable contact, largely because of the challenging task of capturing this data. It relies heavily on accurate diagnosis and recording by contact centre agents. There are also variations in how organisations define avoidable contact internally.

For this exercise, 29% of participants were able to provide data on avoidable contacts based on the above definition.



As the above box plot shows, the percentage of calls categorised as avoidable varies significantly between those that could provide this data with the median value being 12.78%.

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4.4.5. Resolved at first contact

As mentioned in section 4.4.3 above, many organisations across the sector are looking at the importance of resolving queries at first contact, as a way of reducing call volumes as well as increasing customer satisfaction.

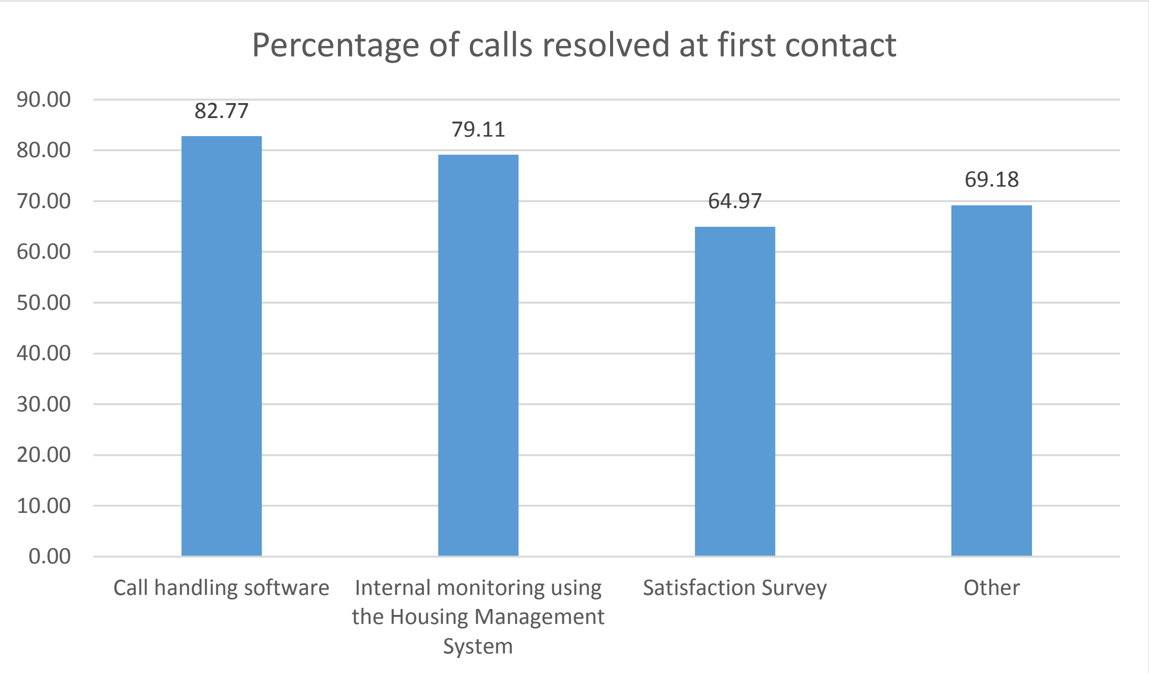
Currently, 47% of participating organisations collect data on the percentage of calls resolved at first contact.

	% calls resolved at first contact
Upper quartile	89.28
Median	84.68
Lower quartile	75.41

As the table above shows, the median value is 85%, however these figures do need to be looked at in the context of how they were collected. One of the challenges organisations face with collecting data on this measure is determining what constitutes a call being 'resolved'.

For the purpose of this exercise, participants were advised that for a call to be 'resolved', the query must have been answered in full at the initial point of contact, without the need to transfer the customer or call them back. Despite this, there is still a clear difference in results when comparing the organisation's view of whether or not the call was resolved with the view of the caller.

The bar chart below shows that the mean average[10] percentage of calls categorised as resolved at first contact is between 79.11% and 82.77% when calculated by the organisations internal systems. However, when customers are asked if their call was resolved at first contact as part of a satisfaction survey, the figure is significantly lower at 64.97%.



[10] Mean averages were used in this instance due to small samples for some categories.

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4.5. Contact centre – satisfaction

Customer contact satisfaction is not widely measured, with only 44.6% of participants being able to provide data on the following three measures;

- Satisfaction with the knowledge of the staff member
- Satisfaction with the response received
- Satisfaction with the ease of contacting the organisation

It is important to look at the data in the context of how the satisfaction information was collected, as per the bar chart below.

Only one organisation provided satisfaction data which was a result of a mystery shopping exercise. Here you can see satisfaction was at 100% for all three measures.

When looking at data gathered through automated surveys and 'other' (which includes surveys carried out in-house over the phone, or by external survey companies), there is a similar trend in outcomes, with satisfaction with the knowledge of the staff member receiving the highest satisfaction scores. This is good news for the housing sector, as a 2015 study of over 10,000 UK customers by UKCSI[11] found that the competence of staff is considered most important when dealing with a contact centre.

4.5.1. Satisfaction drivers

When comparing satisfaction scores with other data provided as part of this exercise, the biggest driver of satisfaction with ease of contacting the landlord appears to be call waiting time, as shown in the scatter chart below.

[11] Customer Satisfaction on the rise according to UKCSI - Contact-Centres.com. [ONLINE] Available at: http://contact-centres.com/customer-satisfaction-on-the-rise-according-to-ukcsi/

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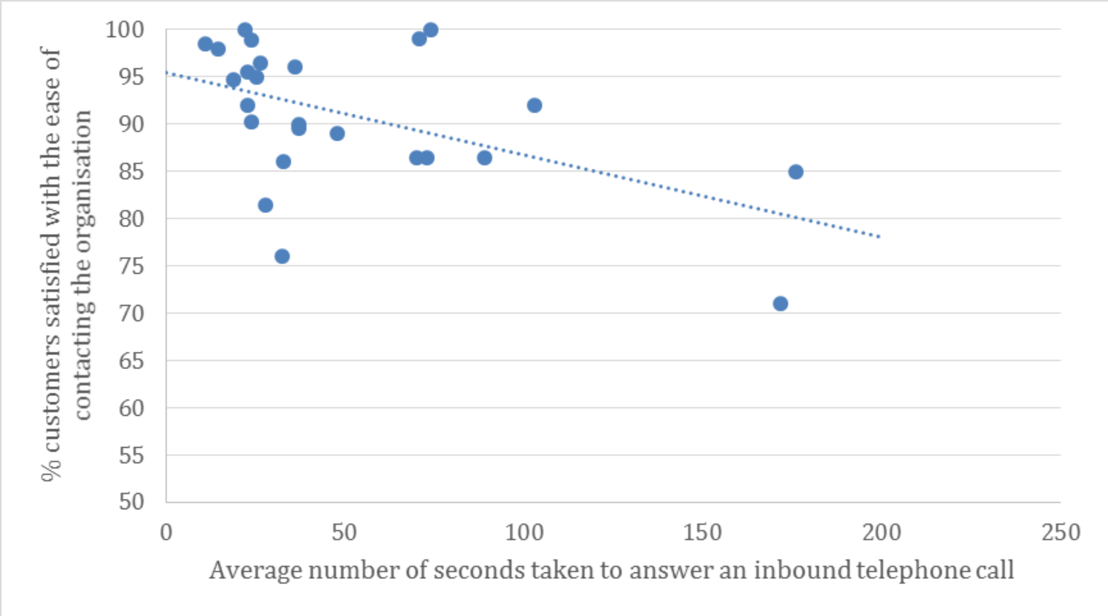
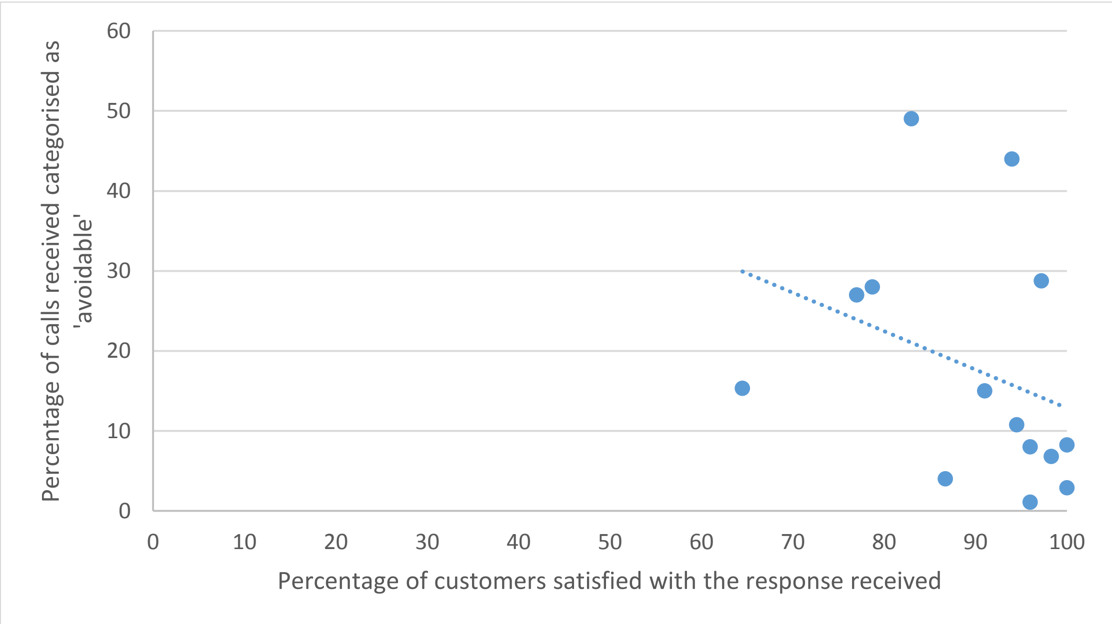


It will be interesting to see how satisfaction with the ease of contacting the organisation changes over the next few years as alternative channels of communication become more widely available. However, with phone calls currently being the most popular choice for customers, it's not surprising that the average number of seconds taken to answer a call (see section 4.4.2) adversely impacts this satisfaction measure.

Another driver of satisfaction as identified by the data is the percentage of calls categorised as avoidable contact. As the scatter chart below shows, satisfaction with the response received generally increases as the proportion of avoidable contact decreases.



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4.6. Contact centre – key challenges

Participants of this exercise were also asked what key challenges they expect their contact centres to face over the next two years.

The most popular responses are displayed below.

The top five challenges identified were;

- Channel Shift and adapting to Channel Shift (both for staff and customers)
- Encouraging increased use of self-service
- Maintaining high quality service delivery with budget restrictions
- Ensuring staff are trained as necessary
- Managing customer expectations

4.7. Contact centre – summary

The key findings of this exercise relating to contact centres are:

- An average call costs £2.92 (based on contact centre staffing costs only and excluding overheads).
- Median call volumes have increased slightly over the past three years, but many in the sector expect call volumes to increase more significantly in the next two years.
- The percentage of calls answered has increased significantly over the past three years. However, this has been accompanied by an increase in the average number of seconds taken to answer the call and the average call handling (plus wrap) time.
- The average call handling time correlates with longer wait times before the call is answered.

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- The biggest drivers for satisfaction with contact centres based on the available data are call wait times and the proportion of avoidable contact. Reducing wait times and avoidable contact should in theory improve satisfaction.
- The majority of customer contact continues to come via telephone. However, channel shift is the single biggest issue for participating landlords over the next two years.

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Appendix 1 – Full list of participating organisations

1	A1 Housing Bassetlaw
2	Amicus Horizon
3	Barnet Homes
4	Bernicia
5	Birmingham City Council
6	Boston Mayflower
7	BPHA
8	Bracknell Forest Homes
9	Brent Housing Partnership
10	Brighton and Hove City Council
11	Broadland Housing Group
12	Cairn Housing Association
13	Calico Homes
14	Cartrefi Conwy
15	Central Bedfordshire Council
16	Circle Housing Group
17	City of Lincoln
18	City West Homes
19	Community Gateway Association
20	Cornwall Housing
21	Croydon Churches Housing Association
22	DCH Group
23	Dumfries & Galloway Housing Partnership
24	East Kent Housing
25	First Choice Homes Oldham
26	Gateway Housing Association
27	Golden Gates Housing Trust
28	Greenfields Community Housing
29	GreenSquare
30	Helena Partnerships
31	Islington and Shoreditch
32	Johnnie Johnson Housing Trust
33	Knowsley Housing Trust
34	Lewisham Homes
35	Liverpool Mutual Homes
36	London Borough of Ealing
37	London Borough of Hackney
38	London Borough of Havering
39	London Borough of Lambeth
40	London Borough of Southwark
41	Magna Housing Group
42	Merlin Housing Society
43	Metropolitan

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44	MHS Homes
45	Mosscare Housing Group
46	Nottingham Community Housing Association
47	North West Leicestershire District Council
48	Northampton Partnership Homes
49	Norwich City Council
50	Nottingham City Homes
51	One Manchester
52	One Vision Housing
53	Orbit
54	Origin Housing
55	Peaks and Plains Housing Trust
56	Phoenix Community Housing
57	Pioneer Group
58	Port of Leith Housing Association
59	Radian
60	River Clyde Homes
61	Salix Homes
62	Sentinel Housing Association
63	Shoreline Housing Partnership
64	Shropshire Housing Group
65	South Cambridgeshire District Council
66	South Tyneside Homes
67	South Yorkshire Housing Association
68	Stafford and Rural Homes
69	Staffordshire Housing Association
70	Stockport Homes
71	Sutton Housing Partnership
72	Teign Housing
73	Together Housing Association
74	Tower Hamlets Homes
75	Vale of Aylesbury Housing Trust
76	Valleys to Coast Housing
77	West Dunbartonshire Council
78	Westwood Housing Group
79	Wigan and Leigh Homes
80	Wyre Forest Community Housing
81	Wythenshawe Community Housing Group
82	Yorkshire Coast Homes

Please note that one participating organisation has requested for their data to remain anonymous and have therefore been excluded from the above list.

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Appendix 2 – Disclosure of information

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