

<b>Item No.</b> 15.	<b>Classification:</b> Open	<b>Date:</b> 8 December 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		My Southwark, Homeowners Service	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Housing	

## **FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING**

All too often in the past, many leaseholders have felt that the council's relationship with them has been one of just sending them a bill rather than providing a service. Given that they pay service charges to the council, it is vital that they receive a proper service in exchange.

This perception has been reflected in the feedback that the council received from homeowners through a project looking at these issues set up last year. It has become abundantly clear that the status quo cannot continue if we are to improve the council's relationship with homeowners. This report sets out the steps the council will take to make those improvements.

One of the promises set out in the 2014/15 - 2017/18 council plan is that the council will provide a fairer deal for leaseholders and freeholders through the establishment of an independent leaseholder management service, breaking away this function from the current Home Owners Unit which focuses on constructing billing and creating a service that can work on the behalf of leaseholders to improve services.

The independence of this function will be provided through the creation of a steering board, the My Southwark Homeowners Board, to oversee the work of the service. The membership of this board will include representatives of homeowners.

This report therefore proposes the establishment of both the service and the board. It also sets out the consultative steps that will be taken to tailor this service to best meet the needs of council leaseholders and freeholders.

The creation of the service will not cost leaseholders any more than the current arrangements. Instead, this is a reorganisation of council functions to ensure that leaseholders receive the quality service that they already pay for through their service charge bills.

## **RECOMMENDATIONS**

1. Cabinet is recommended to agree:
  - the creation of a new My Southwark Homeowners service, dedicated to meeting the needs and aspirations of the council's homeowner group
  - the setting up of a My Southwark Homeowners board to oversee the work of the service, monitor performance, scrutinise service delivery and hold the council to account when poor performance or failures occur

- the proposed initiatives that can be put in place immediately to give confidence to homeowners that the council is taking the new service forward.

## **BACKGROUND INFORMATION**

2. Leaseholders and freeholders of council property known as homeowners, represent a large and growing group of residents. There are presently over 15,000 leaseholders and that number is growing rapidly. There are 575 Right To Buy applications to date in 2015.
3. It is generally acknowledged that relations between the council and its homeowner residents can be strained from time to time. This can manifest itself in complaints about the level of services that homeowners receive from the council, the level of service charges and perceptions about the way in which the council treats homeowners.
4. The council plan agreed by cabinet in 2015 sought to deal with improving relations between the council and its homeowners by committing to developing options for consideration to set up an independent leaseholder and freeholder management company.
5. A homeowner project was set up in October 2014 to get to the bottom of the relationship issues between the council and its homeowners. Feedback from the project has shown that homeowners do not feel respected as residents (and non-residents) and they want to see real and substantive change as well as a commitment to improving the homeowner experience (some of the main findings of the initial homeowner project can be found appended to this report).
6. The current reorganisation of the council has provided an opportunity to re-position and re-launch the customer facing elements of the council's homeowner services. It also allows the council to create an organisation which reflects the independence aspired to in the council plan. The Customer Experience division has now assumed responsibility for the management of many of the customer facing functions of the homeowners service which will be branded My Southwark Homeowners, building on the popular and well recognised "My Southwark" brand. At the same time the council's Community Engagement team will, in the future, be responsible for the liaison, management and support of Homeowners Council and improving wider homeowner consultation.

## **Aims of My Southwark Homeowners Service**

7. The new My Southwark Homeowners service aims to signal a fresh start to building a more balanced and positive relationship with homeowners. It aims to address homeowners concerns and make them feel valued both as a resident and as a customer.
8. The new service will seek to act as an advocate for homeowners and take up their concerns with those responsible for providing services. It will also aim to oversee the provision of value for money services so that residents can hold the council to account. It will provide a professional customer service dedicated to meeting the needs of homeowners through the provision of bespoke telephone and face to face services.

9. The new service will review the right to buy and permissions processes with a view to streamlining service delivery and making sure that they meet the needs of homeowners and prospective homeowners. It shall also ensure that the processes provided are legally compliant and that the wellbeing of all residents is assured.
10. My Southwark Homeowners will ensure that homeowners fully understand their rights and responsibilities and the service will aim to review its guidance, notices and correspondence with the aim of making them accessible, clear and jargon free.

### **An Independent Organisation**

11. Officers have considered what the most appropriate vehicle might be for delivering a service that will operate effectively both for the council and homeowners and that fulfils the commitment in the council plan. Advice has been sought from senior officers, members and independent research. Attempts have also been made to try to identify similar models elsewhere but no such similar entity appears to exist and this proposition might well be unique. Whatever the type of organisation adopted to deliver the new services, it is clear that this should be achieved within the existing resource envelope and should not simply layer on additional tiers of process that could worsen the service for customers.
12. Setting up a new council owned, limited company was considered. Whilst this could be seen to achieve the desired “independence” being sought, a number of questions and objections were put forward. What assets would the company have, what would the financial arrangements be, what could the responsibilities and liabilities of the board of directors be, would staff transfer to the new organisation and no longer be employees of the council; how could such a company, wholly owned by the council, also be charged to hold the council to account? This type of organisation is discounted as impractical and potentially more costly to deliver the services envisaged.
13. It is proposed that the council could instead create a new agency that sits within the council, but which could advocate on behalf of homeowners and truly hold the council to account. Overseen by an independent My Southwark Homeowners Board, it would consider the council’s performance in relation to the management of homeowners’ matters without being encumbered by the challenges of the day to day delivery of council services. Whilst no similar organisation appears to exist elsewhere, the new agency will seek to learn from examples of excellence in housing associations, private sector housing management organisations, and property managing agents. The new agency will work with council officers, but act independently to the council. The culture of the service must be one which favours neither the council or the homeowner; it must act genuinely independently and seek to achieve resolution to service delivery issues without fear or favour.

### **My Southwark Homeowners Board**

14. The establishment of a My Southwark Homeowners Board has been envisaged as part of the creation of the new Homeowners service. Advice is currently being sought on what responsibilities and duties such a board would have and how it might influence council policy and decision making and achieve service improvement. The main purpose of any Board is to provide guidance, leadership

and insight at a higher level to the organisation and to act as a point of ultimate responsibility. It should have a clear mission and an explicit set of responsibilities.

15. The Board will be acting on behalf of homeowners but not necessarily taking instructions from them. Homeowners would, however, expect the board to be responsible for making its own decisions and to have the capacity to bring about change, rather than just acting as a reviewing body. A board brings with it a more commercial tone to the structure more akin to a “company”. It would suggest empowerment and influence in regard to its relationship with the wider council.
16. Although it is not envisaged that the Board would have any direct financial responsibilities, it must be more than simply an advisory body in order to deliver the independent scrutiny homeowners are seeking.
17. The board should be comprised of members with the appropriate level of skills and experience in order to be able to provide authoritative advice and make recommendations that would pass any reasonable scrutiny. Board members should have a good understanding of the housing industry, be strategic thinkers and know the operations and finances of such an organisation. They should have complementary skills and will need to work well together to achieve the desired service improvements. It is proposed that the board be made up of homeowners, appropriate professionals (e.g. a surveyor, planner, housing association homeownership expert, financial expert, IT professional, lawyer, asset management expert, communications and community engagement expert) along with support from council officers.
18. It is proposed that the Board be made up of eight members; four resident homeowners and four others possessing the relevant skills and experience to enable them to make a positive contribution to the work of oversight and scrutiny of the agency. Board members will be recruited using an open recruitment and selection process against a clear role description as is becoming good practice in selecting members for other similar boards. Members of the Home Owners Council will be invited to sit on the recruitment panel.
19. It is proposed that the council’s constitution would be amended to recognise the My Southwark Homeowners Board and agree to receive recommendations from it. The board would be supported appropriately by council staff who will manage the schedule of meetings and provide the secretariat to the Board.

### **Homeowners’ Perspectives**

20. The homeowners project set up last year provided significant insight into what homeowners might like to see or what they would expect from the new service. These findings can be tested with Home Owners Council (HOC) and others but this will provide a good guide to where the council should be heading.
21. A dedicated service for homeowners should be a welcome development. In terms of customer service, My Southwark Homeowners should act as the first point of contact for customers. Ideally it would be a seamless service without the need to go from one person to another to get an enquiry resolved. However presently, homeowners are used to dealing with a single, named, collection officer who manages service charge queries. For many homeowners this works well and it may not be practical or desirable to break up that service.

22. Homeowners expect customer services staff to be well informed and fully conversant with homeowner issues and ultimately be clear about who is responsible for managing their relationship with the council. They would also want to see clear expected response times and timescales for agreed actions.
23. It is important to reflect back the wording and spirit of the commitment in the council plan, to deliver an independent organisation. The creation of an agency seeks to deliver on this commitment. The culture of the new service should feel different to the existing one (through branding and training) and with some quick wins which could make a real difference to the relationship with homeowners in the short term.
24. It is important to be clear about what the new organisation can and will do, as much as what it can't and won't do. It should also be clear about what its relationship with the council is and how it will hold it to account. In the dialogue to ensue in the coming weeks it is important that the council seeks to clarify its duties and responsibilities to homeowners and other stakeholders.
25. The creation of a My Southwark Homeowners board should send positive signals to homeowners that the new service will act independently. The composition of the members of the board will need to be considered carefully in order to provide the confidence to homeowners that they will act independently and also bring with them objectivity, expertise and competence.
26. If the new agency is to act as an advocate for homeowners, they will be keen to understand how they will act on their behalf and what it can do when it finds fault and how it will hold the council to account. It is recommended that the council's constitution be changed to commit the council to receiving reports and recommendations from the My Southwark Homeowners Board as it does with HOC and Tenants Council.
27. In setting up the new My Southwark Homeowners service, homeowners will want to be consulted on what their priorities are and how they see the new service being delivered. One of the key tests for homeowners will be whether the new Board and services will deliver greater transparency and accuracy of bills.
28. The homeowners research also found that homeowners are seeking assurances over the commissioning of major works projects so that they are able to adequately plan their finances with "no surprises". Close work with the asset management team as well as involvement of homeowners in decisions on commissioning and contracting major works will be important.

### **Consultation with Homeowners**

29. In order to achieve homeowner buy-in for the new service, a period of consultation will be necessary. A lot of work has been carried out as part of the homeowners project. Many interviews have been conducted with homeowners and other key stakeholders, however this research was commissioned by officers keen to explore different operating models and homeowners have not been explicitly asked about their views on how a new service should work. Therefore, a period of consultation with homeowners asking specific questions about what they want from the agency would be appropriate.

30. At a meeting of the Home Owners Council (HOC) on 21<sup>st</sup> October 2015, officers presented proposals for the new agency to council members. There was broad agreement with what had been proposed and the next steps to be taken. Following the presentation on the proposed service, homeowners were encouraged to respond to questions posted on the council's on-line consultation hub. These questions will be specific to the operation of the new service. The consultation questionnaire has been available on the council's website since the morning after the HOC meeting. Interim results from the questionnaire are appended to this report.

### **What we can do now**

31. In order to get a head start with the project and demonstrate to homeowners that the council is serious about addressing their concerns and improving the relationship, it is proposed that some developments are put in place immediately as "quick wins".
32. An important action will be to create a new My Southwark Homeowners area on the My Southwark on-line account. The My Southwark portal is very popular with over 115,000 residents set up, many of whom are homeowners. It is proposed to set up a distinct and separate service for homeowners within the account. From there, customers will be able to access a range of services, advice and transactions aimed specifically at them. In the first instance it will provide access to services available elsewhere on the site, but this will be developed as the needs of homeowners become clearer.
33. The idea of My Southwark Homeowners is to build on a brand that has proven popular with many residents. This is a new agency especially for homeowners and there is an opportunity to show this as a fresh start. The branding of the service will be important. A project will be set up immediately with colleagues in Communications to develop this new brand, everything from signage to letters and information, to staff uniforms.
34. An immediate review of the right to buy and permissions processes is being undertaken. Homeowners have expressed frustration at what can appear to be bureaucratic and long-winded processes for managing the right to buy process and applications for the approval for works. Such requests may range from the straightforward; a new kitchen or bathroom, to something more complex involving structural alterations. It should be possible to devise a fast-tracking system for simple or minor modifications. Early discussions with colleagues in Planning suggest that this should be possible. An on-line application available through the homeowner's My Southwark account could simplify and speed up the permissions process.
35. Anecdotally, the right to buy process can be a lengthy one. By carrying out an early review of the process we will better understand if these delays are unavoidable and if it might be streamlined. Benchmarking with those with good reputations in the sector will also reveal if we are missing some obvious tricks which might speed up the process. In the quest for service improvement however, it is important to ensure that the council is always fulfilling its statutory duties and making sure that the council's best interests are assured at all times.
36. Homeowners are keen that access to the council's unique arbitration service is extended to homeowners. Homeowners are able to use the service already, but only in very limited circumstances and importantly, not in connection with service

charge bills. It is in all parties' interests to resolve disputes at the earliest opportunity and the council should do what it can to achieve this. In devising a scheme which gives homeowners access to the arbitration service to bring service charge matters, it is important that the council doesn't leave itself open to significant liabilities or create something that proves to be expensive to deliver. It is therefore proposed that the council run a limited pilot scheme for six months in the first instance. It is also proposed that the pilot will consider service charge matters only, NOT major works bills.. The pilot will help to identify the likely take up of such a service, the costs of delivering the service and the types of decisions that the arbitration panels make. Are those decisions appropriate, do they meet the needs of homeowners and the council? There will be a presumption that those homeowners exercising their right to access the arbitration will abide by the decisions of the panel and will not then take the matter to the First Tier Tribunal. The results of the pilot will be shared with homeowners and the future of the service will be reviewed. The aim is to get a firm proposal for the pilot in place for the beginning of 2016.

37. It is understood that homeowners have, for some time now, wanted access to a face to face service dedicated to homeowners' matters. There is an opportunity to deliver such a service at the same time as rationalising the council's Service Points. Discussions with homeowners indicate that they would be keen to explore this further. We presently have three My Southwark service Points, this proposal will see one of these become a dedicated My Southwark Homeowners customer facing service at the Blue in Bermondsey. In order to provide absolute clarity about the responsibilities of the council and homeowners it is considered essential to have a face to face service where that can be discussed with homeowners and prospective homeowners fully. One of the functions of the new service will be to provide the opportunity of a meeting with skilled and experienced officers who can explain the benefits of living in council property and the potential costs associated with it. All too often homeowners have complained that they were unaware of the bills that could arise as a result of works on the estates where they live. This will help improve the communication between homeowners and the council. There should be no surprises.
38. The aim will be to create a new face to face service for homeowners which will provide advice and support to existing and prospective Southwark homeowners. In order to differentiate it from the Service Points the service will be re-branded and seek to have a different look and feel. The aim will be to provide a very professional service. Homeowners are also keen to provide their own homeowners hub (known as the Homeowner Information Centre). The Homeowners Council has set aside funding from the Homeowner Fund to deliver this. There is no reason why this couldn't be delivered as a shared service at the new My Southwark Homeowners office. The council also has a contract with the Citizens Advice Bureau to deliver legal advice to homeowners on all types of enquiries including service charges. It is suggested that this too could be co-located within the new face to face service adding to the offer for Homeowners. The details will need to be agreed with HOC. If this proposal is agreed, it could be possible to have the new service in place for the beginning of 2016.

### **Measures of Success**

39. One of the determinants for the new agency will be identifying those things that would make the new service a success. Success will be determined by homeowners through improved levels of satisfaction, better relations with the council and fewer complaints. Some of these will be easier to measure than

others. The feedback from homeowners on the consultation will also provide information about what success looks like. Success will also be the delivery of a new service that achieves improved performance in terms of enquiries handling and backlogs and maintaining or reducing the existing budget.

## **SUPPLEMENTARY COMMENTS FOR OTHER OFFICERS**

### **Director of Law and Democracy**

40. The report sets out outline proposals for the creation of a new home owner service within the council and a homeowners board to oversee the work of the service. As the project develops any legal and governance issues arising will need to be identified and addressed. The project team are advised to liaise with the Director of Law and Democracy and her staff from the outset of the project.

### **Strategic Director of Finance and Governance (IY112015)**

41. This report sets out outline proposals for the creation of a My Southwark Homeowners Service, dedicated to meeting the needs and aspirations of the council's homeowner group. Planning for this is at an early stage and no structures or costings are currently available. However, it is envisaged that this will be funded at nil additional cost through the reconfiguration of existing homeowner budgets within the HRA, including potentially a contribution from the Homeowners Fund. As plans become more developed, the funding arrangements will be detailed in subsequent reports.

## **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
None		

## **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Homeowner Project Findings
Appendix 2	Consultation Summary

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Richard Livingstone, Housing	
<b>Lead Officer</b>	Gerri Scott, Strategic Director of Housing and Modernisation	
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<b>Version</b>	Final	
<b>Dated</b>	26 November 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	26 November 2015	