

## Housing, Environment, Transport and Community Safety Scrutiny Sub-Committee

Monday 25 March 2013  
7.00 pm  
160 Tooley Street, London SE1 2QH

### Membership

Councillor Gavin Edwards (Chair)  
Councillor Graham Neale (Vice-Chair)  
Councillor Chris Brown  
Councillor Michael Bukola  
Councillor Lorraine Lauder MBE  
Councillor Tim McNally  
Councillor Martin Seaton

### Reserves

Councillor James Barber  
Councillor Patrick Diamond  
Councillor Darren Merrill  
Councillor Michael Situ  
Councillor Geoffrey Thornton

### Co-opted members

Cris Claridge  
Miriam Facey  
John Nosworthy  
Jane Salmon

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### Contact

Shelley Burke on 020 7525 7344 or email: [shelley.burke@southwark.gov.uk](mailto:shelley.burke@southwark.gov.uk)

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Members of the committee are summoned to attend this meeting

**Eleanor Kelly**

Chief Executive

Date: 15 March 2013



# Housing, Environment, Transport and Community Safety Scrutiny Sub-Committee

Monday 25 March 2013  
7.00 pm  
Tooley Street, London SE1 2QH

## Order of Business

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### **PART A - OPEN BUSINESS**

**1. APOLOGIES**

**2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR  
DEEMS URGENT**

In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.

**3. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.

**4. MINUTES**

1 - 9

To approve as a correct record the Minutes of the open section of the meeting held on 25 February 2013.

**5. CABINET MEMBER INTERVIEW: COUNCILLOR RICHARD  
LIVINGSTONE, COMMUNITY SAFETY**

Themes:

Domestic Abuse Services

SASBU performance/Anti-social behaviour on estates

Noise team targets

Protection of minors - alcohol, tobacco

Alcohol saturation zones

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Community Warden Service

General crime statistics for Southwark - the long-term trends

Proposals for police stations/offices

Southwark's response to IPPC report re Walworth's Sapphire operation

Proposals for CCTV installation

<b>6.</b>	<b>REPAIRS AND CUSTOMER SERVICE CONTRACTS - UPDATE</b>	10 - 19
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<b>7.</b>	<b>DOMESTIC ABUSE SERVICES - FURTHER WORK FOLLOWING SCRUTINY REPORT</b>	
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**DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING.**

**PART B - CLOSED BUSINESS**

<b>8.</b>	<b>PROJECT MANAGEMENT OF DRAPER HOUSE WORKS PRIOR TO SUSPENSION OF CONTRACT WITH BREYER</b>	
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**DISCUSSION OF ANY CLOSED ITEMS AS NOTIFIED AT THE START OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT.**

Date: 15 March 2013



## Housing, Environment, Transport and Community Safety Scrutiny Sub-Committee

MINUTES of the OPEN section of the Housing, Environment, Transport and Community Safety Scrutiny Sub-Committee held on Monday 25 February 2013 at 7.00 pm at 160 Tooley Street, London SE1 2QH

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**PRESENT:** Councillor Gavin Edwards (Chair)  
Councillor Graham Neale  
Councillor Michael Bukola  
Councillor Lorraine Lauder MBE  
Councillor Tim McNally  
Councillor Martin Seaton  
Cris Claridge

**OTHER MEMBERS PRESENT:** Councillor Catherine Bowman

**OFFICER SUPPORT:** Norman Coombe, Legal Services  
Paul Langford, Head of Operations, Housing & Community Services  
David Markham, Head of Major Works  
Gerri Scott, Strategic Director of Housing and Community Services  
Peter Roberts, Scrutiny Project Manager

### 1. APOLOGIES

1.1 Apologies for absence were received from Councillor Chris Brown.

### 2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

2.1 There were no late items.

### 3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

- 3.1 Councillor Graham Neale, vice-chair, made a disclosure of interest as a council tenant and a resident of Draper House. Councillors Michael Bukola, Lorraine Lauder and Martin Seaton made disclosures of interests as council tenants.

### 4. MINUTES

#### **RESOLVED:**

That the minutes of the meetings of the sub-committee held on 17 December 2012 and 21 January 2013 be agreed as a true and accurate record.

### 5. DRAPER HOUSE

- 5.1 Gerri Scott, strategic director of housing and community services, and Dave Markham, head of major works, introduced the report. The strategic director acknowledged that residents had been waiting a long time for the major works. She outlined the time line for the contract and the reasons why it had not started promptly, including access issues but also a failure of officers to take a grip of the contract. When Dave Markham took up his post in September 2012 one of his key tasks had been to sort out the issues around the work.
- 5.2 The head of major works explained that Draper House had fallen between the Decent Homes and Warm, Safe, Dry programmes and during a restructuring of the housing department. The current project team had taken over management of the contract in September when it was recognised that a number of pre contract issues had not been resolved. Subsequently, the council had to negotiate with the owners of the Strata building for use of land during the works and with the freeholders of the commercial units on the ground floor. A meaningful start on site did not take place until six months later.
- 5.3 Members of the sub-committee took the view that the contractor Breyer had not worked in partnership with the council and had failed to pay sub-contractors and asked whether there were any early warning signs of these problems. The strategic director stressed that five contractors had been appointed following the normal procurement process, which included assessments of financial viability and the capacity to deliver works and taking up references. She was unable to comment on reasons for Breyer's failure to pay sub-contractors. The head of major works expanded on Breyer's failure to work in partnership in comparison to other contractors. The strategic director stressed that any blame could not be laid entirely at the contractor's door and that the council had not got to grips with some of the issues quickly enough.
- 5.4 Members were concerned that the project management team should have been aware of problems and bringing them to the attention of the contractor before they became the subject of complaints from residents and ward councillors. The

strategic director stated that meetings had already been held with the contractor and problems drawn to their attention, including issues with sub-contractors. She could evidence that these meetings had been held. The head of major works confirmed that issues were picked up with the contractor but that perhaps they could have been escalated faster. It was important that project management teams fully understood their roles and responsibilities.

- 5.5 Members cited other major works programmes in the past which had fallen into difficulty and asked whether guidance and improvement programmes had been initiated to raise the level of officer skills. The strategic director stated that some of the workforce had left over time and that some had been given opportunities for improvement. At the same time, she emphasised that although some major works contracts had started off badly they had often been completely turned around. Management arrangements for major works were much improved. The strategic director also highlighted the success of the Putting Residents First consultation programme.
- 5.6 Members of the sub-committee asked whether Breyer was working for the council in any other part of the borough. The head of major works replied that a contract with Breyer on the Rockingham Estate was being run much more smoothly. This could partly reflect that the contract related to a different type of work and was on a four/five storey block of different construction. In his view there was also more willingness to make the scheme work. In response to further questions, the head of major works confirmed that the same council team was managing the Rockingham contract. Members were interested to know whether Breyer accepted that its team working on Draper House was not up to the same standard as its team on the Rockingham.
- 5.7 The chair referred to a meeting attended by Councillor Cathy Bowman, ward councillor, on 9 October 2012. He understood that Councillor Bowman had concerns about the attitude of council staff towards herself and the residents and he questioned whether this indicated a general culture of disrespect amongst some staff. The strategic director reported that Councillor Bowman had raised concerns with her and that she had taken immediate and appropriate action. The strategic director was clear that there was no such culture at senior management level and that there were excellent front line staff. Any negative feedback about individual members of staff was dealt with very thoroughly. The chair asked if management had the opportunity to address all the department's staff on single occasions. The strategic director confirmed that whole staff events took place once a year and whole managers' events once a quarter.
- 5.8 The chair asked whether anything in particular had stopped the council from reacting quickly to the poor performance of the contractor, for instance in respect of the removal of asbestos from flats in the block. The head of major works indicated that he would look into this and stressed again that it often depended on where the design liability lay.
- 5.9 A member concentrated on the lessons learnt from Draper House, as set out at paragraph 19 of the officer report. He asked why the first bullet point, about project team members and lead designers understanding their respective roles, was not

already in place. The head of major works stated that there was a new lead designer in place on the Draper House scheme but that prior to this there had been some misunderstanding over roles and responsibilities. He went on to explain that there were now five lead designers in-house, running a number of different projects.

- 5.10 Members felt that, in order to complete the scrutiny review, it would be important for them to have sight of the original contract with Breyer and to fully understand the nature of the conclusion of the contract. They also felt that it would be important to receive details of the recent health and safety incident, including the actions taken in response by the council and by Breyer. The legal services representative indicated that these issues would need to be considered in closed session.
- 5.11 Councillor Cathy Bowman, Newington ward councillor, addressed the sub-committee. She welcomed the lessons learnt, as outlined at paragraph 19 of the officer report, and the council's recognition of its responsibility in terms of managing the contract. Councillor Bowman stressed her concern in respect of how the council managed large contracts and whether officers had the necessary capacity for this. She also stressed her concern as to the quality of communication between some staff and residents, describing a meeting at Draper House as the most shambolic that she had ever attended. Councillor Bowman acknowledged that the strategic director of housing and community services had reacted very promptly in response to her raising concerns about the contract and about staff. However she remained unclear as to why officers had not responded quickly when residents themselves raised their concerns.
- 5.12 The chair asked Councillor Bowman for her view as to how officers thought they could get away with poor behaviour towards residents and ward councillors. Councillor Bowman did not know but at the same time emphasised that one officer at the meeting she attended had been doing his job in a professional manner. The strategic director of housing and community services commented that any negative feedback was dealt with promptly.
- 5.13 A member asked Councillor Bowman whether any leaseholders had raised concerns about the level of charges. Councillor Bowman pointed out that there were leaseholder representatives present who might like to comment on this themselves. The leasehold charge was enormous, in the region of £35k, but that she had been given assurances that this would not increase as a result of the delays in the contract. The strategic director confirmed this. However, Councillor Bowman was concerned about the issue of compensation.
- 5.14 Luisa Pretolani, a resident of Draper House since September 2011, addressed the sub-committee. She was concerned about the quality of work and contract management. She stated that she had been told that when work started there would be two or three managers on site from the council. It was essential that, whatever the number, officers were informed and respectful and listened to residents who had a wealth of knowledge. Ms Pretolani explained that Breyer had broken some of the lifts because they had not listened to residents. In her view Breyer should be held to account and in future council officer should be able to

oversee work properly. Ms Pretolani also reported problems with re-wiring in some of the flats. She felt that residents had been bullied into accepting an unsatisfactory solution and that the council had not provided help when, for instance, telephone wires had been cut by the contractor.

- 5.15 David Holden, a Draper House resident for twenty years and now a leaseholder, expressed his view that the building had never been appropriately maintained. As a result, costs of current work had been pushed up. Mr Holden stated that residents had immediately reported use of mono-flex on the scaffolding, rather than netting, but that it had taken three months to correct. He also took the view that as the council knew that Draper House was on the list to be refurbished it should have put the appropriate consents into its planning consent for the Strata Tower. Service charges had increased year on year but residents had been living on a building site and with no compensation from the council. Mr Holden felt that a member of the council's staff should have been present on-site full-time from the beginning of work.
- 5.16 Julian Adamoli had been living in Draper House for twenty-four years and had attended the meeting that Councillor Bowman had referred to. He agreed with Ms Pretolani on the issue of re-wiring. Breyer had insisted that this could only be done in one way and that no other way was possible. Council officers had not challenged this. Mr Adamoli believed that council officers should be able to oversee the contract works effectively and should act as champions for the residents.
- 5.17 Susan Vericat, a leaseholder for seven and a half years and an architect, reiterated the comments of the other residents. She was thankful that Councillor Bowman had attended the meeting in October but stressed that residents had been meeting with the project managers and the strategic director of housing and community services for some months. Ms Vericat questioned whether the officers meeting with the contractor had sufficient construction knowledge and believed that the council's lead designer had not met with Breyer's lead designer. She stated that it should not be up to residents to question design issues such as the scaffolding protection. She also asked what percentage of the contract had been completed so far. Ms Pretolani added that she had been asking for a long time for a calendar of events and for residents to be kept fully up to date. The strategic director of housing and community services indicated that she could provide information about the percentage of the contract that had been completed. In response to a question from a member, Ms Vericat agreed that the timing of meetings could be a problem for residents with child-care responsibilities.
- 5.18 Residents were concerned about any compensation that might be available, giving the removal of asbestos as an example where they understood that compensation would not cover the full cost of making good. The strategic director of housing and community services explained that each claim for compensation would be looked at on its own merit. Members of the sub-committee asked for information as to when compensation would be determined and asked who would be responsible for payment, the council or Breyer.



- 5.19 The strategic director of housing and community services acknowledged the importance of the project team acting as residents' champions and of residents being fully involved in the sign off of work. She also explained that the head of major works and herself had been aware of the issues arising and had initiated meetings with Breyer to address them. In response to concerns about officer knowledge, the strategic manager commented that additional construction knowledge was bought in to supplement the council's own resources.
- 5.20 Members of the sub-committee were concerned as to whether any records had been kept of meetings with residents, including formal minutes. The head of major works responded that the project manager had taken notes. The strategic director of housing and community services added that action points arose from the meetings and were followed up by letters to residents.
- 5.21 Members were also concerned about a family which had been hospitalised following a health and safety incident, asking when the council had been aware of the problem and whether it had been the council or Breyer which had been responsible for taking action. The head of major works reported that Breyer had put the family in question into a hotel and that the council had not been advised of the incident until the family had contacted the council.
- 5.22 Members asked for further details about the way forward, in terms of appointing a back-up contractor or retendering the contract, and how residents would be enabled to make an informed decision. The head of major works explained that another meeting was being held with residents the following evening. Some residents had viewed another scheme that the possible back-up contractor was involved in and this contractor had passed the relevant quality and price hurdles.
- 5.23 The chair thanked Councillor Bowman and residents for attending the meeting and stated that he would welcome any written submissions. He intended that the sub-committee consider the matter at one further meeting before compiling a report. The chair outlined the following areas for consideration at the next meeting, some of which would have to be taken in closed session:
- evidence of meetings between Strategic Director of Housing and Community Services/Head of Major Works and Breyer (held in response to initial concerns about contract)
  - a copy of contract, and details of the how contract had been concluded (both to be considered in closed)
  - the process for compensation, including who will be paying (closed session)
  - the percentage of the contract completed to date - and the cost to complete the contract (closed session)
  - details of the accident that occurred, including actions taken by council and by Breyer (closed session)
  - a representative of Breyer to be invited to attend and to give comments

## 6. SUB-LETTING OF COUNCIL PROPERTIES

- 6.1 Paul Langford, head of operations, housing and community services, introduced the report.
- 6.2 The strategic director of housing and community services explained that the council was trying to get to grips with illegal occupancy and was one of the leading players nationally. This year the council had a target of recovering three hundred properties and next year this would increase to five hundred. The council was trialling new techniques and technology, working with the corporate anti-fraud team and with the police and the UK Border Agency. Southwark had also recently applied for government funding to help in this area. The strategic director stated that there was a strong commercial and criminal aspect to social housing fraud. Some tenants attempted to rent out property via websites such as Rightmove. There were increasing examples of properties converted into multiple occupancy, which in itself caused additional risk to health and safety. Because properties were often sub-let to vulnerable adults and households with children who existed under the radar, the problem was increasingly seen as needing a whole-council response.
- 6.3 The chair described his experience of visiting constituents and receiving reports of possible illegal occupancies. He wondered what else could be done to open up opportunities for tenants to report directly to the council, for instance whether a question could be asked whenever tenants contacted the council on any matter. The strategic director felt that this was a suggestion worth looking into. She also reported recent coverage of the issue in Southwark Housing News and that the council had written to all repairs and gas contractors as they would often come across suspicious circumstances. The council was also piloting a joint annual gas servicing, repairs check and tenancy check which would also include social services. In addition, tenants' and residents' associations were quick to provide information and this had led to early morning swoops on properties. The head of operations added that initiatives had been very successful and that almost as many properties again had been got back through regular contact with residents as those properties identified and tackled by the special investigations team.
- 6.4 The chair asked whether other boroughs were taking any action that Southwark was not. The head of operations stated that Southwark was not resting on its laurels and, although it remained the best performing London borough in terms of percentage and number of properties, the council was keen to improve its learning and was sharing experiences and best practice with Lewisham and Greenwich. He commented that repeat offenders existed, moving from borough to borough, and that the more data shared the better able the council was to intervene.
- 6.5 A member questioned the effectiveness of three distinct fraud teams. He also wondered whether properties existed which never for example reported repairs problems and asked if a lack of interaction with the council might suggest illegal occupancy. The head of operations stressed that the work of the fraud teams was very joined up at strategic and operational levels. He commented that the issue of non-reporting was an area which was being pursued and that he welcomed any

suggestions.

- 6.6 A member highlighted that while possible illegal occupancies might be identified, it was unclear how these should be reported and often there was no feedback in response. The strategic director offered to circulate to all members of the council an email she had recently sent out to senior managers about illegal sub-letting. This set out how to report suspicions and the details of the first point of officer contact who would also ensure feedback to ward councillors.
- 6.7 A member of the sub-committee asked whether there were any hot-spots geographically and asked about joint working with registered providers of social housing (RPs). The head of operations stated that the issue was borough-wide and driven by opportunistic behaviour. He explained that the funding the council had applied for related to work with RPs and pointed out that illegal occupancy had a knock-on effect in terms of the council's nomination rights. The strategic director added that the hope was that the new legislation, which made illegal occupancy a criminal offence, would act as a deterrent. The council already took out prosecutions as fraud was a criminal offence. The new legislation was an additional tool.
- 6.8 The vice-chair asked about any options for legal sub-letting. The head of operations explained that sub-letting was not permitted but that tenants could allow someone to stay in the property if they were away for a certain period of time. The tenant would have to demonstrate that they were the main resident. In effect, the tenant would need to demonstrate that they were permanently resident. The strategic director added that a room could be let to a lodger but that the property could not be sub-let as a whole and that the council needed to be kept informed. The head of operations emphasised that leaseholders were able to sub-let their property but that converting a property into multiple occupation without complying with fire and other regulations was illegal. Leaseholders could be prosecuted through the London Fire Brigade.
- 6.9 The chair acknowledged the good work that was already taking place within the council in respect of illegal sub-letting. He indicated that he would come back to the next meeting with a number of possible recommendations for the sub-committee's consideration.

## **7. SCRUTINY OF TENANTS HALL - DRAFT REPORT**

- 7.1 The chair reported that he had presented the draft report to the Tenants' Halls Working Party. Ian Richie, chair of the working party, presented the comments of the working party. He outlined the priorities of the working party which included identifying capital spend, a rent structure and a suitable licence to occupy, creating a third party licensing agreement and establishing appropriate training. Mr Richie reported a concern of the working party that reports made via the whistle blowing process needed to be dealt with promptly.

- 7.2 The sub-committee agreed that, with an appropriate amendment to streamline the whistle blowing process, the report be submitted to Overview & Scrutiny Committee for consideration.

The meeting ended at 9.20pm.

<b>Item No:</b>	<b>Classification:</b> Open	<b>Date:</b> 25 March 2013	<b>Meeting Name:</b> Housing, Environment, Transport and Community Safety Scrutiny Sub- Committee
<b>Report Title:</b>		Repairs and Customer Services Contracts Update	
<b>Ward(s) or Group affected:</b>		All	
<b>From:</b>		Strategic Director of Housing & Community Services	

### Background

1. On 23 November 2004, the council let a 10 year contract with Pearson Government Solutions (later taken over by Vangent and more recently GDIT) for the provision of customer services to run from 31 May 2005 to 30 May 2015. The contract included the provision of a telephone Customer Service Centre (CSC), the delivery of the services in the council's three One Stop Shops (OSSs), an e-mail response service, translation services and associated functions including a fulfilment service and complaints receipt service.
2. Under the terms of the contract, a change of ownership of Vangent in October 2012 provided the council with an opportunity to reconsider the way it wanted to deliver customer services in the future. A contract clause allowed the council to terminate the contract and agree a period of transition to in-house control.
3. A report to Cabinet on 15 May 2012 sought delegation to the Strategic Director of Housing and Community Services to agree the terms of the Deed of Variation to the current contract on or before 31 May 2012 with a view to securing transition of the services on 1 June 2013, some two years earlier than the initial contract end date. Cabinet agreed this recommendation and on 31 May 2012, agreement was reached with Vangent on the Deed of Variation to the current contract, which was formally signed by both parties the following day.
4. The delivery of services in-house was considered to be the best option as it meets the council's timescales and enables the council to have ongoing control over the quality and effective delivery of customer service to the borough's residents and wider customer community. The council intends to improve the skills of those delivering customer services and exploit new technologies to provide better services whilst achieving economies at the same time. The service will also develop a new relationship with back offices and customers to ensure that the needs of both are being met.

### Governance Arrangements

5. A governance programme has been put in place to oversee the exit and transition of the customer services contract from GDIT to the council. An exit Board has been established chaired by the Strategic Director of Housing and Community Services and attended by the Managing Director of Vangent. The board has oversight of the exit programme and exit working group. The board

will also seek to resolve disputes between Vangent staff and council officers where they may arise.

6. A Customer Services Transition programme has been established bringing together expertise from across the council to manage the transition of services between now and 31<sup>st</sup> May. This includes a number of work teams including business transition, HR, IT and accommodation and includes the work to establish a new consolidated call centre in Queens Road. The group meets each week to ensure progress is on track and each of the work streams provides a RAG rating (red, amber, green) to indicate the current state of play.
7. The transition programme is overseen by the Customer Services Transition Board. Like the Exit Board, the Transition Board is chaired by the Strategic Director of Housing and Community Services. But instead of scrutinising the contract exit activities, this Board provides challenge to the transition programme which is tasked to delivering a functioning, in-house customer services operation from 1 June 2013.

### **Contract Exit**

8. An exit working group has been established to progress the work identified in the exit plan. The meetings are chaired by the Head of Customer Experience and include representatives from the council and GDIT. The meetings receive regular updates from leads on the IT and HR workstreams, from GDIT and the council, as it is recognised that these are two of the more problematic and resource intensive areas of work. Overall, the exit programme is working well and delivering in accordance with the exit timetable. A constructive working relationship continues to be maintained between the council and GDIT. The work of each of the programme streams receives a Red/Amber/Green (RAG) rating and exit is currently green.

### **Business Transition**

9. The Business Transition workstream is the service delivery arm of the programme and will take responsibility for the telephone, face to face and email services after 1<sup>st</sup> June 2013. A number of staff experienced in the delivery of high volume customer services, plus telephony experts have been recruited to ensure that the appropriate expertise is in place to deliver the services.
10. Procedures are being developed to capture the processes in use with the current supplier and to replicate and improve on these.
11. The workstream works closely with other programme groups to ensure the delivery of the new telephone contact Centre at Queens Road, and co-ordinate the delivery of the new technologies which will support the delivery of customer service in the future, in particular the deployment of new telephone technologies and a new Customer Relationship Management System (CRM). It is also closely involved with the transfer of staff from GDIT and the wider Customer Experience reorganisation being put in place to deliver the council's customer services functions.
12. The transition programme is currently showing a RAG rating of green.

## Accommodation

13. The accommodation programme is primarily concerned with the delivery of the new contact centre at QR3. The building has not been used since being built some two to three years ago. It is undergoing a refit to be a purpose built 120 seat contact centre. It will be one of the best of its kind in London. The refit is going according to plan and the current RAG rating is green.
14. Accommodation also successfully delivered the new My Southwark, Customer Service Point at Market Place in the Blue in December 2012. The work stream is also identifying accommodation for the group of customer services apprentices due to start in March 2013.

## People

15. The people work stream is concerned with the transfer of staff from GDIT, from Liberata and the council's own Client Team into the new Customer Experience structure created to deliver customer service in Southwark Council. The transfer of external staff is strictly governed by the rules of TUPE.
16. Group staff presentations have just taken place to explain the new service delivery model and how staff will fit in to the new service. These meetings have been very successful; staff due to transfer to the council have been very engaged and in the majority of cases, are looking forward to working with Southwark in the future. These meetings will be followed closely by "one to one" meetings offered to all staff transferring to the council and the council staff affected by the reorganisation. These meetings will continue through to April.
17. HR colleagues are leading on this process with advice from legal services. The RAG rating for the people programme is Amber. This is primarily because of some uncertainties about the numbers and the skills of those staff transferring to the council as the final TUPE isn't due to be received until 1<sup>st</sup> April.

## IT

18. The IT work stream deals with all aspects of the delivery of IT services at the new contact centre, one stop shops and service point in Bermondsey. The big challenge is the brand new service delivery at Queens Road 3. That building needs to be fit to receive the council's systems as well as the new telephony and CRM. There were some issues about the physical access of services to the building which required permission from the landlord to dig up some of the paved areas around the outside. These issues now appear to have been resolved and the IT programme is currently green.

## CRM

19. At present, the council uses SAP CRM. It is one of the prime IT solutions used to support the customer services functions. SAP has been poorly developed and maintained and is no longer considered a viable solution for the future. The cost of improving this solution would exceed the cost of a new system.
20. The council has decided to purchase a new CRM system; Microsoft Dynamics. This is being developed by GDIT and will be used by GDIT staff from mid

March 2013. This will mean that the staff transferring to the council will already be trained and used to using the new CRM.

21. The new system is looking good and service users can already see service improvement opportunities in the future. Dynamics has a reputation for being easy to integrate with other systems and adaptable to self-service applications. It could speed up the council's "digital by default" ambitions and provide improved functionality to the *MySouthwark* website. Although the go-live date for the programme may slip by a few days it should not impact the overall timetable for the project and the CRM programme is currently green.

### **Telephony**

22. In order to deliver the new contact centre at Queens Road 3, a new telephone platform and Automated Call Distributor (ACD) is required. The council is purchasing an AVAYA telephone system, one of the best systems on the market. The new system will provide significant opportunities for service improvement over that used in the current CSC.
23. There have been difficulties with this project, particularly about the timing of obtaining the trunks in to the new building to enable the telephone system to function. That now appears to have been settled, but will need concerted effort by all involved in the project to be successfully implemented on time.
24. Alternative plans for an interim telephony solution are being worked up as a fail safe. The telephony programme is currently amber.

### **Business as Usual**

25. In addition to the contract exit and service migration activities, the work of the day to day activities of delivering customer services at the one stop shops and the CSC plus responses to complaints and emails continues. Customer Experience retains a Client Team for the purpose of monitoring the contract and working to achieve continuous improvement. The Client Team will be disbanded at the end of May as a consequence of terminating the contract. The staff involved in contract monitoring are likely to be absorbed into the new organisation or elsewhere in the council as part of reorganisation process.
26. Contract monitoring was challenging in the last quarter of 2012, especially in call handling for responsive repairs. The reasons for these are many including the migration of the repairs contract for the South of the borough from Morrison to Mears at the beginning of October contributing to a significant uplift in calls.
27. The council has been working closely with GDIT to find solutions to performance issues. This includes working with council colleagues to improve processes for customers and the short term funding of additional resources to help overcome extraordinary peaks in service demand.
28. Performance in 2013 has been very good. Over 85% of repairs customers have had their calls first time in 2013. The Client Team will continue to monitor the performance of customer services functions through to the end of the contract.



### **Milestones achieved so far**

29. Although the service transfer isn't due to take place until the end of May 2013, a number of transition activities have already successfully taken place.
30. GDIT had sub-contractors Liberata assisting in the delivery of customer services. Specifically, Liberata have responsibility of the delivery of the One Stop Shops and the Revenues and Benefits telephone services in the CSC. The council potentially found itself in a position of terminating the contract with Vangent two years early, but maintaining a contractual relationship with their contractor, Liberata. The council has now successfully negotiated a similar contract exit with Liberata so that the services delivered by them and the staff associated with those functions will also transfer to the council on 1<sup>st</sup> June 2013.
31. GDIT were keen to sever their relationship with Liberata and the council assumed direct responsibility for the monitoring of that contract on 1<sup>st</sup> September 2012. Appropriate contract monitoring measures have been put in place and the council has a good working relationship with Liberata staff delivering services on behalf of Southwark.
32. The One Stop Shops were staffed by a combination of Liberata staff and GDIT staff. As the Liberata contract transferred to the council on 1<sup>st</sup> September 2012, GDIT were also keen to relinquish their involvement at the One Stop Shops. A TUPE transfer of GDIT staff working in the One Stop Shops therefore was also negotiated and 25 staff were successfully transferred to the council on 1<sup>st</sup> September 2012.
33. The Fulfilment Team currently located at BOSS needed to relocate as a result of the closure of that service. The team delivers post receipting, scanning, and follow up works on behalf of a number of different council services, in particular the concessionary travel team – dealing with Blue Badges and Freedom Passes. This presented an opportunity to bring this service into the council and assume greater control over the function. That service transferred into Tooley Street on 19<sup>th</sup> November 2012, although the staff will continue to be employed by Vangent through to the end of May 2013.
34. Vangent provided an outbound telephone survey service, which involves telephoning housing repairs customers to seek their opinion of the repairs service they had recently requested. The council has recently introduced an electronic version of the survey for customers who have provided an email address. The outbound call surveyors are therefore being supplemented by the electronic surveys. These staff have also relocated to Tooley Street and greater control of their activities has been assumed. In addition to the survey, they are now assisting to resolve customer issues and are adding value to the function.

### **Market Place**

35. The decision to dispose of the site on which the Bermondsey One Stop Shop (BOSS) sits was taken in September 2009. The site was subsequently sold to Notting Hill Housing for Development and the provision of affordable housing. The council was contractually obliged to provide vacant possession of the site to Notting Hill Housing by 31<sup>st</sup> December 2012 at the latest.

36. Members were keen to ensure that face to face service delivery was maintained for residents living in the Bermondsey area. After a search of suitable alternative accommodation, the decision was made to acquire shop front premises at 11 Market Place, The Blue.
37. The new service, known as the *My Southwark*, Customer Service Point, was opened on 18<sup>th</sup> December 2012. The service provides five customer service points, one private service point for confidential interviews and three self service points on the ground floor. On the first floor there are staff facilities for Service Point staff and others, meaning that the whole of the ground floor is given over to customer service delivery.
38. Market Place Service Point offers a new type of face to face service with the emphasis on self-service and assisted self-service. Customers who need to spend some time talking to a customer services advisor are encouraged to make an appointment. This helps staff prepare for the interview and assist with the management of customer footfall at the Service Point.
39. The service has been well received by customers, members and officers alike. Plans are being worked up to refresh the current POSS and WOSS in 2013 to give them the fresh look and approach adopted at Market Place.

#### **Future delivery of Customer Services in Southwark**

40. The decision to terminate the contract was made in order that the council could take control of the future delivery of customer services in Southwark. A number of key reasons to explain why and how an improved service could be delivered in-house have been identified. These include –
  - Improved training for customer facing staff.
  - Staff empowered to make the right decisions in the interests of the customer. Staff who see or hear something wrong will be expected to take responsibility for putting it right.
  - Make good use of new and emerging technologies where these can be proven to improve service delivery and achieve efficiencies.
  - Improved liaison between customer services and back office services. Good customer services is everyone's business and staff should work together to deliver the right outcome for the customer.
  - Greater control over service delivery and speed of change to processes.
  - Check back with customers to ensure service promised has been delivered. Only by listening to our customers will we know what we are doing well and what we could do better.
  - A significant reduction in costs

## **Update on Repairs and Maintenance**

### **Background Information**

41. Good progress has been made in improving the repairs service. Tough decisions have been taken on who provides and manages the service in the borough. Also recommendations from Housing Scrutiny have been delivered, structures and processes have been refined and contract management has been improved.
42. However, the service still has a very long way to go before it is truly delivering the service residents deserve. There are still too many instances of the service going wrong and when it goes wrong it tends to do so badly. All too often it is frustrating for residents to access the service or be kept advised of progress resulting in many repeated contacts. This has to be improved.
43. The procurement of the long-term repairs and maintenance contract for the south of the borough presents an opportunity to provide a new style service, which truly puts the customer first, one that challenges service improvement and aspires to deliver a greatly improved repairs service for residents.
44. This procurement also provides the opportunity for the council to review the delivery arrangements for Southwark Building Service (SBS). There is no doubt that SBS is getting better. New managers are in place, performance is improving and the service is becoming more efficient. It is, however, still early days and there is long way to go on the improvement journey.
45. These issues are examined in more detail below.

### **Mears Contract**

46. The Mears contract went live on 3<sup>rd</sup> October 2012 and they hit the ground running (having mobilised in two months). The IT is working is working well and they have recruited 17 staff including 12 operatives mainly from the local area, as their model is direct employment rather than sub-contracting. Sub-contractors are only used where it essential to do so and for specialist works such as scaffolding and drainage works. New Mears senior managers are in place to drive the service forward and lead the required cultural change.
47. Mears have been attending all Area Housing Forums in the south of the borough, Tenants and Home Owners Councils and Tenants and Residents association meetings where requested. They have produced a Mears Commitment leaflet that sets their 20 promises (set out in the table below) for the interim contract and these have be distributed to residents.

1. Engage with residents from the outset to regain their trust	✓	11. Set up a fully integrated management system and mobile working solution	✓
2. Work shoulder to shoulder with Southwark's housing team and contact centre staff.	✓	12. Build a robust interface between your management systems and our own	✓
3. Reduce demand on the contact centre from failed appointments	✓	13. Reinvigorate the transferring Morrison team and inject Mears service culture	✓
4. Offer technical support and back up for the contact centre	✓	14. Rebalance the work with less reliance on sub-contractors	✓
5. Put in place a structured Service Improvement Plan		15. Direct employment of all repair operatives recruited from the local area	✓
6. Sign up to a set of challenging performance indicators	✓	16. Foster good working relationships with local companies for specialist and void works	✓
7. Offer more convenient and fully resourced appointment slots	✓	17. Retain our mobilisation team throughout the contract term	✓
8. Provide external independent validation of performance data	✗	18. A commitment to deploy whatever resources it takes to get the job done	✓
9. Establish an operational base in the borough	✓	19. Customer Satisfaction greatly improved and exceeding target levels	✗
10. Co-locate our management team with your senior staff	✓	20. Consistent performance reaching upper quartile levels by year end	✗

48. So far 17 of the 20 promises have already been delivered, with the remaining three to be delivered by September 2013. Five months into a 12 month contract, progress by any measure, is a very good start and is encouraging.

### **Southwark Building Services**

49. The Mears improvement juggernaut has raised expectations around the rate and pace of repairs service improvement. Naturally, the spotlight has firmly focused on the shortcomings of SBS. Positive change at SBS has been incremental. The workforce has downsized by a third and key staff recruited; new IT is in place and performance is improving. However, there are still issues. Complex work is a problem, as are cancellations and follow-ons.
50. Mears achieved the transition from Morrison in 8 weeks by putting in place a very effective mobilisation team: a highly experienced team of managers used to achieving change in a short period of time. For SBS, a similar approach has been developed. A change team has been working with SBS since November to achieve the same level of service improvement. A cross section of staff from maintenance and compliance, customer experience and SBS supported by project management resources from business improvement are making this

happen. A total of 16 key activities have been identified. Twelve have been delivered to date. The remaining four are progressing well and expected to be in place in April.

1. Introduce PDAs for the whole workforce	✓	9. Process map current 'as is processes'	✓
2. Capture pre and post photos of repairs	✓	10. Process map new exemplar processes	✗
3. Re-engineer scaffold process and use iPads to record performance	✓	11. Fully automate stores and impressed stock arrangements	✗
4. Introduce wi-fi across Frensham Street as back-up for system failure	✓	12. Train staff on exemplar new processes	✗
5. Implement all enhancements to Optitime scheduler	✓	13. Introduce dynamic scheduling for operatives (now and next)	✓
6. Complete the post-implementation review of the SBS staff structure	✓	14. Provide a dedicated resource at the call centre	✓
7. Promote SBS through main resident meetings	✓	15. Introduce EDMS to encourage paperless working	✗
8. Redefine key roles across SBS ensuring clarity and focus	✓	16. Improve key performance indicators when compared to 11/12	✓

### Long-Term Contract

51. Procurement of the long-term contract commenced at the end of July 2012. A total of 53 organisations expressed an interest in delivering the service following an OJEU advertisement. Six organisations were shortlisted and they were invited to tender on 16<sup>th</sup> October. The organisations were: Mears, Willmott Dixon, Mitie, Linbrooks, Lovell, Keepmoat (Apollo).
52. It is worth noting that the council's standard evaluation criteria are based on 70% price and 30% quality. This achieves a balance between cost and the quality of service delivery. However, for repairs and maintenance the cornerstones of a successful repairs and maintenance service are repairs delivered on time, completed right first time and achieving high levels of resident satisfaction. The driver is therefore much more focused on quality outcomes rather than price. Accordingly, the council's standard evaluation criteria were reversed to 70% quality and 30% price. This sent a clear message to the market that the council expects a high quality repairs service and not simply the cheapest one.
53. Evaluation has now been completed and the results despatched to leaseholders by way of a Notice of Proposal (NOP) on 11<sup>th</sup> March 2013, with the recommendation that Mears are awarded the repairs contract for the south of the borough. The table below was included in the NOP. Mears scored the highest for quality and the third highest for price. They also scored the highest when compared with SBS for the out of hours service and the management of empty properties. On this basis they will be recommended to cabinet on 14<sup>th</sup> of May 2013 for award. Until such time that cabinet has made its decisions and

the period of scrutiny/call in has been observed, this only remains a recommendation.

Criteria	Possible Score	Apollo	Lovell	Mears	Mitie	Willmott Dixon
Quality Evaluation	70.00	40.60	41.20	51.90	50.50	50.70
Financial Evaluation	30.00	29.43	27.81	27.45	27.23	25.78
Total score	100.00	70.03	69.01	79.35	77.73	76.48
Overall Ranking		4	5	1	2	3

### Performance

54. In a year that has seen the termination of the Morrison contract and substantial changes in SBS, it would have perhaps been understandable if performance had deteriorated. Instead, four of the five indicators have improved this year compared to last with the final one, emergencies, already high performing and expected to hit target at year end. The indicators are measured through a mixture of telephone and email surveys and the contractors' system.

Performance indicator	Target	11/12	12/13	Comment
Overall satisfaction with repairs	90%	79%	81%	Up 2% - survey
Repairs Completed right first time (RFT)	90%	69%	76%	Up 7% - survey
Appointment kept	95%	93%	96%	Up 3% - survey
All repairs completed on time	95%	93%	94%	Up 1% - system
Emergencies completed on time	95%	95%	94%	Down 1% - system

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**HOUSING, ENVIRONMENT, TRANSPORT & COMMUNITY SAFETY  
SCRUTINY SUB-COMMITTEE** **MUNICIPAL YEAR 2012-13**

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