



HOUSING AND COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE

MINUTES of the Housing and Community Safety Scrutiny Sub-Committee held on Monday 29 November 2010 at 7.00 pm at Town Hall, Peckham Road, London SE5 8UB

PRESENT:	Councillor Gavin Edwards (Chair) Councillor Linda Manchester Councillor Poddy Clark Councillor Stephen Govier Councillor Claire Hickson Councillor Michael Situ John Nosworthy
OTHERS PRESENT:	Tim Harris, Morrisons Peter James, SBS Mark Drury, Morrisons (small part)
OFFICER SUPPORT:	Karen Harris, Scrutiny Project Manager David Lewis (small part)

1. APOLOGIES

- 1.1 Apologies for absence were received from Councillor Wilma Nelson, Jane Salmon and Lesley Wertheimer.
- 1.2 Mark Dury, SBS, and David Lewis, Asset Management and Investment Planning Manager were present for a small part of the meeting only due to a local fire emergency.

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

- 2.1 There were none.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

3.1 There were no disclosures of interests or dispensations.

4. MINUTES

RESOLVED:

Subject to Councillor Michael Situ being added to the list of those present at the meeting, that the minutes of the meeting held on 4 October 2010 be agreed as an accurate record.

5. DISCUSSION WITH HOUSING REPAIRS CONTRACTORS

5.1 The chair welcomed the housing repairs contractors, Peter James from SBS and Tim Harris from Morrisons, to the meeting.

5.2 The chair gave a brief overview of the scrutiny review. He explained that the sub-committee was looking into the key performance indicators (KPIs) for the housing repairs service, in particular whether the KPIs were accurately reflecting performance, as they did not match with tenant experience. This work was in 3 parts:

1. Is there a problem?
2. What is causing the problem?
3. How can more accurate KPIs be developed – what can be done differently

5.3 The review of KPIs was seen as important as it was a driver of performance.

5.4 He went on to outline the following elements of the review so far:

- Casetracking
- Listening to call-back/ call in interviews
- Contractors own role in tracking service performance

5.5 Some serious problems with the statistics had been discovered and some real areas of weakness that the sub-committee would be making recommendations on in its report.

5.6 The chair invited the contractors to say a few words of introduction before detailed questioning.

5.7 Peter James from SBS outlined his extensive background in housing, though he was quite new to SBS. He explained that one of the main issues was that in Southwark the contractors had no role in the compilation of performance statistics or in how the definitions of the KPIs were applied. As the indicators implied that performance was fine, this made the contractor complacent. He went on to say he would welcome the opportunity to be involved as at the moment the contractor did not know what was happening with the KPI recording systems. He also said he was aware of a major issue in terms of customer care, and that he was aware a great deal of work was needed in order to improve.

- 5.8 Tim Harris from Morrisons outlined his experience in housing. He was only a few days into the role in Southwark but had observed that there was not much partnership working between the contractor and the client. He felt there was room for much improvement in partnership working arrangements rather than relying upon contract management. This was important as there were some issues that might not be on the list for indicator management, e.g. cost, but these could be dealt with through a dialogue. In his opinion he thought the repairs would currently only achieve 1* in an Audit Commission rating, and it would take around 2 years to improve this.
- 5.9 The chair welcomed the open and frank introductions from the contractors.
- 5.10 Members enquired whether, as they were not involved in the data compilation for the KPIs, the contractors had gathered any performance data of their own.**
- 5.11 Peter James from SBS responded that they did not, they relied on those that come out from the Council which suggested performance was good. He was aware this was not the case and they would be bringing their own measures into place.
- 5.12 Morrisons responded that commercial information was collected
- 5.13 Members referred to the customer satisfaction call backs and said that it seemed these were effective when a repair had gone well, but where there was a problem it was not clear where the information that repairs still needed attention was going.**
- 5.14 The contractors suggested that there were a number of possible reasons
- The call-centre may not be looking at the information they have available to them
 - The order that was raised by the call centre did not accurately reflect the repair needed
 - People were aware of the problem on the systems but the resources were not there to complete the repair.
- 5.15 Members commented that many of the issues seemed to be call centre based, but what about the possibility that contractor operatives were marking jobs as completed even when they were not started or the wrong type of repair had been interpreted? They enquired whether the contractors felt this was a concern.**
- 5.16 The contractors responded that there were some staff management issues which they were aware of and were addressing.
- 5.17 SBS also commented that there was pressure on the contractor to get results, so if the wrong order was raised they were likely to close down that order and start a new one. This was driven by the way the statistics were calculated.
- 5.18 Members asked whether it would be helpful to have an independent**

organisation designing the work as a hub between the client and contractor?

- 5.19 The response was that this would increase cost and complexity, it would be easier to just be able to identify if jobs were closed down as completed, or just closed down. At the moment this distinction was not clear and when a job was closed down incomplete it did not surface through the systems again unless the resident called about it again.
- 5.20 Morrisons commented that best practice would be for groups of tenants and leaseholders to check a sample of the repairs
- 5.21 Members asked if it was accurate to assume that the current overall system leaves too many loopholes for contractors and allows them to be lazy about following things through.**
- 5.22 Tim Harris from Morrisons responded that he was too new in the job to make this judgement.
- 5.23 Members enquired how the information about a job raised was passed to the operative and if the contractors were translating the orders before they got to the operatives. For example if a work order was raised to replace a ceiling and the operative just re-skimmed the plaster.**
- 5.24 SBS responded that currently managers just passed the job on to the operative as it was received. They confirmed that this was not very effective as essentially the operative was left "to their own devices".
- 5.25 Members asked how this job handling was being changed as it was not very effective.**
- 5.26 SBS responded that a much clearer customer focus was needed. There was currently no mention of the customer in SBS's language and this was what Peter James had been brought in to change. Some steps were being taken such as installing van trackers to keep better management control over operatives. SBS recognised that they were not giving the service that they should be.
- 5.27 Members enquired about the disciplinary regime for operatives who were found to have misreported work.**
- 5.28 Both contractors reported that, to date, apart from being warned by their manager these incidents were very hard to deal with because of the culture of the organisation and the role of the unions. On many occasions misreporting was ignored. SBS reported that there was now a real impetus for change within the Council and an opportunity to develop a new remuneration structure better aligned to performance.
- 5.29 In response to a question about bonus payments the contractors informed the sub-committee that they were currently looking into an incentive scheme. Members challenged this approach suggesting that an incentive scheme would make operatives more likely to report jobs completed when they were not because they would be paid more. SBS explained that the main problem they were trying to

solve was the level of “fall back pay” that operatives receive regardless of whether they do any jobs. This is quite a generous level and there were incidences of some staff just relying upon this.

5.30 The incentive model they would prefer would be “getting it right first time” which would be more customer focused

5.31 Members enquired how contractors proposed to measure “getting it right first time” if that was to be used in the future to decide on incentives

5.32 SBS explained that they had embarked upon the use of PDAs which were used for the customer to sign for a job completed. 70% of operatives would be using these by February 2011.

5.33 Discussion took place as to whether this would be the best approach because the operative would be there in person asking for the signature. Another approach would be the send a text message to the customer, say 1 hour after the completed order had been filed and they could respond to this. If no is recorded then it could be followed up pro-actively. The sub-committee heard that this approach had worked well in Haringey and reduced the number of repeat calls and orders.

5.34 **Members asked if operatives were given a set number of jobs or one job at a time.** The contractors reported that each job had a time value and they only got paid on job completed. SBS confirmed that from their perspective the fall back pay level was what was causing the problem and this needed to be renegotiated.

5.35 Morrisons explained that they were also supportive of this idea but that this might impact upon some excellent employees who were recording work correctly and earning very good salaries as a result of efficient working.

5.36 Both contractors confirmed that the issue was with non-emergency staff.

5.37 Members asked Morrisons to expand upon the idea of partnership working mentioned at the beginning of the session, and explain how this would deliver positive results in terms of the performance indicators.

5.38 Tim Harris explained that, in other boroughs, agreeing the vision, KPIs and drivers of performance with the contractor and client together had driven up performance.

5.39 Another example was the use of PDAs in Redbridge where the contractor asked the customer for instant feedback and that incentives were driven through customer satisfaction.

5.40 SBS added that true partnership working would be the contractors and clients sitting and talking about where the problems were in the whole service, not just with the contract delivery, a whole change of culture compared with current practice.

5.41 Members suggested that partnership working should include tenants and residents associations and enquired how much engagement of this type happens in Southwark.

- 5.42 The contractors responded that very little of this type of work was currently taking place.
- 5.43 Members and Contractors then discussed how a mix of different arrangements and approaches would be the best way to ensure good partnership working and genuine customer feedback, including, satisfaction surveys, use of text messages, use of PDAs, strategic partnership meetings, meetings with TRAs etc.
- 5.44 The contractors commented that if Decent Homes was delivered effectively it would make the housing repairs task much easier.
- 5.45 Members enquired what the National Benchmarking group is that was mentioned earlier.**
- 5.46 This was a group called Housemark which ran benchmarking against a whole range of KPIs. It was confirmed that Southwark was a member of this group and therefore had access to data sets to compare with other London Boroughs. The group also allowed linkages to be made and the sharing of best practice.
- 5.47 Members enquired whether any of the data collected for performance is about the financial bottom line.**
- 5.48 Both contractors commented that profit is important. A discussion took place over the need to keep track of value for money and to include financial bottom line data in the KPIs.
- 5.49 Members commented that there was also nothing in the current KPIs about communal areas or vulnerable tenants both of which were important with the type and mix of housing in the borough.
- 5.50 The chair thanked the housing repairs contractors for attending the meeting and being so open with their answers.

RESOLVED:

That the sub-contractors provide contact information to the sub-committee through the scrutiny project manager to allow ongoing monitoring and dialogue.

6. FEEDBACK FROM OUTBOUND CALLS EXERCISE

- 6.1 Members of the sub-committee gave feedback on the call listening exercise to post-repair feedback calls and made the following observations
- Most of the calls kept to the specified script, but when it was clear that things had not gone well there was no clarity over what happens next
 - The system would work better if it was more flexible to allow call centre operatives to deal with problems more pro-actively
 - The process was flawed because it asked for feedback but there was no follow through

- It was obvious that people did not understand the 1-5 satisfaction scale, so the KPI that flowed from these calls was flawed
- These were supposed to be calls to completed jobs but 32% were actually incomplete
- Problems on uncompleted calls were not picked up and owned, people were just told to ring back to the call centre
- Call back included temporary repairs and inspection visits rather than true repairs. This would skew the performance indicator results
- The cost of mishandled repairs was not reflected in the performance indicators
- There were other costs associated with case tracking and contract management costs such as the commercial team which members visited in October that were not reflected in the performance indicators
- There would be a value in anonymising feedback so people felt able to be truthful, such as text back
- There were 2 satisfaction questions in the current call back and it was unclear whether answers were being sought on satisfaction with the contractor, the call centre, or the whole service

6.2 The sub-committee discussed the best way of getting a true picture of customer satisfaction, and agreed that a mix of different feedback mechanisms would give the most accurate picture.

6.3 Councillor Govier suggested a visit to a 3* housing authority would be a useful exercise for the sub-committee. It was agreed to look for written good practice first, but a visit remained a possibility.

6.4 The Chair suggested that the sub-committee was now in a position to write a draft report based on the evidence received so far, with strong proposals for change to the current system.

6.5 The sub-committee discussed various new activities in housing repairs and the new staff employed by the contractors recently which suggest that just having the review has acted as a catalyst.

6.6 It was agreed that it was timely to build on this by completing a first draft of the report by early January, to be discussed in an extra meeting of the sub-committee, which would also coincide with the arrival of the new strategic director of housing.

RESOLVED:

To hold an additional meeting of the sub-committee on 11 January 2011 to consider the first draft of the scrutiny report

7. HOUSING REPAIRS SURVEY

7.1 Members considered the survey, circulated at the meeting, from BDRC-Continental which would act as the validation survey for customer satisfaction.

7.2 Councillor Situ pointed out an error in question 3 and it was agreed to relay this back to the housing department to ensure it has been picked up.

- 7.3 The sub-committee discussed the fact that there was no question in the survey about the length of time taken to answer a call at the call centre. It was explained that this was because this could be tracked electronically and the call-centre do this, measuring the time between entering the system to reaching a human voice.
- 7.4 There was some concern expressed over whether customers would be prepared to take the time to complete this questionnaire, but the sub-committee was reassured that the questionnaire had been devised by a professional company experienced in this work and will be done within the Market Research Society Code of Conduct.
- 7.5 The sub-committee was informed that the results of this study would be available in early January, in good time to feed in to the evidence base for the final scrutiny report.

8. HOUSING REPAIRS CASE-TRACKING

- 8.1 The Chair referred to the case-tracking document circulated as the supplemental agenda for the meeting.
- 8.2 The sub-committee discussed the fact that this case-tracking confirms what the casework of members demonstrated in terms of mis-reporting of jobs completed and the lack of customer focus in the repairs service.
- 8.3 The sub-committee agreed that the case Councillor Hickson had been working on recently provided another good example of how the system failed in a number of places.
- 8.4 It was agreed that the case-tracking work, together with the evidence heard earlier in the meeting provided strong evidence that workforce management of the operations staff was a key issue and this would be reflected in the draft report.

RESOLVED:

That the case-tracking data be used in the draft scrutiny report.

9. HOUSING BENEFIT

- 9.1 Councillor Govier gave an update on his “rapporteur” work on housing benefit.
- 9.2 He explained to the sub-committee that the government was now planning to postpone the date for implementation of changes to the housing benefit system. This suggested that it had begun to understand the consequences of the changes. However, to compensate, the date for new applicants receiving less was to be brought forward.
- 9.3 Overall in Southwark there was a large housing stock which would help to mitigate the impact of the housing benefit changes but clarity was needed quickly on the policies to enable planning to take place.

- 9.4 Councillor Govier pointed out that those single under 35 would be particularly badly hit as they would only receive a shared accommodation allowance under the new arrangements. It was unclear whether this was just single men or others. It was agreed that this would be clarified.
- 9.5 Councillor Govier said he was content that the Council was planning as well as possible for the changes but there would be a cumulative impact and it was likely to drive affordable housing out of the borough.

RESOLVED:

1. That the point on under 35's be clarified
2. That Councillor Govier provide a written report for the meeting on 11 January 2011.

10. 4 SQUARES HOUSING

- 10.1 This item was deferred to the next meeting.