

Committee	Date	Classification	Report No.	Agenda Item No.
Overview and Scrutiny Committee	10th May 2011	Unrestricted		8.1
Report of: Service Head One Tower Hamlets Originating Officer(s): Jebin Syeda, Scrutiny Policy Officer and Daniel Kerr, Graduate Intern		Title: Scrutiny challenge session: Customer Care – Tower Hamlets Homes housing repairs service Ward(s) affected: All		

1. Summary

- 1.1 This report updates the Overview and Scrutiny Committee on the outcome of the scrutiny challenge session on the repairs service offered by Tower Hamlets Homes (THH).

2. Recommendation

- 2.1 The Overview and Scrutiny Committee is asked to consider the outcomes of the scrutiny challenge session and agree the recommendations in the report.

3. Introduction

- 3.1 This report provides a summary of the scrutiny challenge session exploring the performance of THH repairs service, held on 29th March 2011 at the Toby Club, Whitechapel. The session provided councillors and residents the opportunity to consider the performance of the repairs service in the context of how previous service problems were being addressed through a new contract taking affect from 1st April 2011. Complaints and resident engagement were also focus areas for the working group.
- 3.2 Councillors as community leaders highlighted issues presented to them by residents which challenged THH's understanding of their repairs performance. The residents who attended further informed this discussion. The session allowed space for a discussion on how the issues raised by this challenge might be addressed and put forward a number of recommendations. As challenge sessions are limited in time, some of the recommendations are about further exploration of issues raised.
- 3.3 The session was attended by 21 people and was chaired by Councillor Zenith Rahman, Scrutiny Lead for A Great to Live. Cllr Lesley Pavitt, Cllr Shelina Aktar, Cllr Anna Lynch, Cllr Judith Gardiner and Cllr Sirajul Islam were all in attendance. It was also attended by employees of THH, a representative from

THH new repairs contractor Mears, and local tenants who have first hand experience with the repairs service; some were also involved in the procurement of the new repairs contract.

- 3.4 The challenge session took place at the Toby Club to allow local residents to attend. The session was structured to allow for dialogue between those who were raising concerns and those providing the repairs service. THH gave a presentation detailing their approach to repairs, customer satisfaction and service improvement. The working group were given the opportunity to consider this and how THH is planning to improve the service under a new organisational structure and a new repairs contract. Residents and councillors used the time to discuss their concerns and made suggestions for addressing these.

4. Purpose

- 4.1 Scrutiny challenge sessions are designed as a quick way for Members to perform a robust check of key policy issues and make recommendations for amendment and/or introduction of policy. Housing repairs is central to the community plan theme of A Great Place to Live and has an impact on multiple aspects of the lives of local residents.

- 4.2 The purpose of this challenge session was to review the performance of THH housing repairs service and identify how repairs can be improved to deliver a better service which is accessible and meets residents' expectation.

- 4.3 In developing the 2010/11 overview and scrutiny work programme, it was gleaned from performance reports that there were a high number of complaints and Members enquiries about housing repairs. Members were keen to undertake scrutiny of THH housing repairs because a significant volume of complaints are presented to them during surgery. Disrepair affects the quality of a home and can impact negatively on the quality of life for residents. Members felt that it was the right time to scrutinise this service as it was about to go forward with a new contract to ensure the new approach addressed problems with the old contract.

4.4 The key objectives of the challenge session were to:

- To consider the approach to housing repairs taken by THH, in particular the new contract with Mears;
- To explore tenant concerns with regards to THH housing repairs and how they can be addressed through the new arrangements;
- To help facilitate better communication between THH and tenants on the subject of housing repairs.

- 4.5 The challenge session was structured as follows:

- Welcome and Introduction by Chair (Cllr Zenith Rahmen, Scrutiny Lead – A Great Place To Live)
- Tower Hamlets Homes presentation (briefing paper attached)
- Working group discussion
- Customer satisfaction monitoring arrangements/ communication
- Next Steps

5. Background

- 5.1 THH is the Arms Length Management Organisation (ALMO) attached to Tower Hamlets Council. ALMOs were established in 2002, transforming the management of council housing with 68 ALMOs managing more than one million council homes across 64 local authorities. The council owns 22,000 homes while THH manages tenancies and leases on their behalf, with responsibility for delivering day to day housing services for tenants. THH is governed by 15 board members, comprising of 5 councillors, 5 residents and 5 independent members with expertise in housing, finance and community development.
- 5.2 The importance of the repairs service for residents can be seen in the THH 2008 Status survey where 81% of its participants regarded repairs as one of the three most important areas that needed to be improved. THH is ranked 6th out of 13 London ALMOs with regard to housing repairs completed, and is ranked 8th with regard to housing repairs completed on time for 2009/10. The service therefore needs to review its performance to reflect tenant expectations and to strive to improve their ranking. More recently THH has been awarded 2 stars by the Audit Commission.
- 5.3 The 2010 STATUS survey demonstrated that 56% of people found it easy to contact THH and once they did only 72% found them to be helpful. Clear and effective modes of communication between THH and its tenants is fundamental in order to facilitate the reporting of repairs and ensure that they are fixed in a timely and efficient fashion. Delays in fixing repairs could potentially cause problems to deteriorate and become more expensive to fix. Housing repairs is one of the most visible services provided and impacts on the quality of life of tenants and is the basis for which many tenants will judge the competence of THH.
- 5.4 THH statistics show 98% of housing repairs are completed within the target timeframe. However, the corporate complaints half year report 2009/10 shows a significant number of complaints concerned with housing repairs with a total of 267 complaints. Members were concerned about the volume of complaints for a service which has 2 star audit commission rating. This prompted a discussion about customer satisfaction monitoring and access to complaints.
- 5.5 The Local Government Ombudsman Annual Review 2008/09 discusses a number of cases. One case highlighted talks about taking three and a half years to resolve a problem of leaking windows due to bad communication and management. A case more relevant to Tower Hamlets might be the case of confusion caused to non-English speaking residents following three unannounced visits. The same review scrutinising the work of THH in 2009/10 reported problems with repairs to continue to be a pressing issue, with water penetration a key area of complaint. The delays in fixing repairs have caused “real inconvenience and misery for the complainants who lived in unsatisfactory housing conditions for longer than necessary.” The case of a tenant who “suffered from a serious illness” but had to forgo the use of his bedroom where a repair was left untouched, and slept on the living room floor in its place is one of many examples cited in the review. The number of repairs fixed first time, without delay or complication needs to improve, especially considering that in a time of public sector cuts, value for money is crucial.

6 The repairs contract

6.1 Morrison and Mite managed THH repairs, on 1st April 2011 the new contract with Mears came into effect. This contract is for 5 years with the option to extend for a further 5 years. Depending on performance there is a caveat in the contract to terminate with 6 months notice. The contract covers projects worth up to £150,000 and has been signed with an input from tenants. A group of tenants oversaw the procurement of the new contract including marking contractors at interview stage. It was clear to residents that they wanted:

- Repairs fixed during the first visit;
- Appointments to be kept on time;
- More flexible approach to appointment times;
- Local employment/apprenticeships.

6.2 The Transfer of Undertakings (Protection of Employment) regulation (TUPE) has resulted in employees working for Morrison and Mite being transferred to Mears, the new contractor. A new service structure is also being implemented at the same time as the contract with Mears. THH is moving from an asset management service to introducing a more holistic approach, setting up a neighbourhood team. This means that representatives from Mears will be situated in the same office as housing officers and contracts and performance officers. This will allow for a more collaborative approach to every repair from the moment it is reported through to its completion, avoiding potential communication problems and accumulation of problems related to repairs.

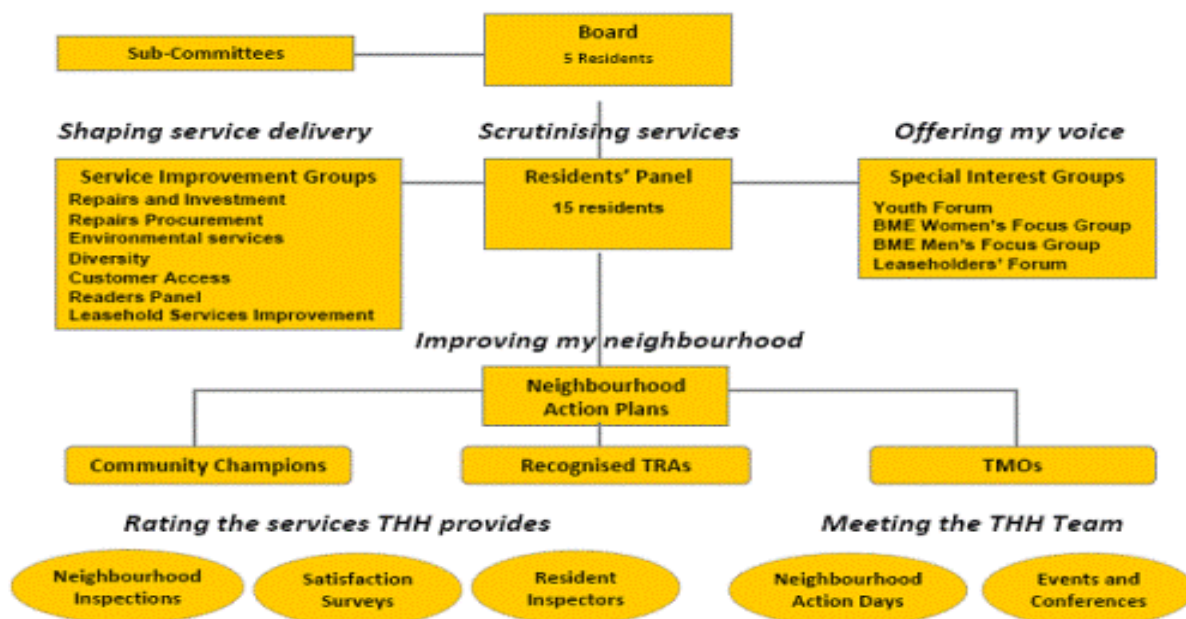
6.3 The new contract has enabled the introduction of improved IT such as the use of hand-held devices to track jobs from the central office and to book appointments. The contractors are also able to send text reminders to tenants to better manage appointments.

7 Communication with residents and access to the service

7.1 Resident engagement

Housing providers are expected to engage residents in the way they design and deliver services. The diagram below shows the level of resident engagement built into the structure of THH. This illustrates that residents are engaged through a number of different channels and at different levels of the organisation. The governance board has 5 resident members contributing to strategic decisions. For the repairs element of resident engagement, two service improvement groups were set up. These groups help establish priorities and review the performance of a specific area or service. The repairs procurement group has been heavily involved in selecting the contract with Mears. The ongoing repairs and investment group will now continue to review the performance of the contract with Mears. The members of these groups may also be active members on the Residents' Panel and will often be members of local TRAs.

Tower Hamlets Homes – resident engagement structure



7.2 Reporting and communication during repair process

A repair can be reported to THH through a number of different channels. It can be reported online, through email, a letter, by telephone or reported in person at local neighbourhood offices. The repairs telephone helpline can also be used for advice on a repair and to change appointments. Once the repair is reported it is logged and an appointment is booked as agreed with the tenant. A text message is sent out 24 hours before an appointment as a reminder and this will be followed up by a further text message when the operative is en route with an estimated time of arrival. This will be to a mobile or to a landline. Texts sent to landlines cost the receiver. Each operative is required to fully understand the requirements of the repair and to ensure that the tenant is aware of what will happen next. If a operative turns up to fix a repair and the tenant is not present they will call the tenant and make further arrangements with one of the options being to wait for a short period of time for the tenant to arrive. If they can not make contact with the tenant the neighbourhood office will attempt to call them. Only after exhausting these attempts a missed appointment card is issued.

7.3 Customer satisfaction monitoring

THH uses Kwest to conduct satisfaction surveys to monitor satisfaction with repairs completion. The old contract interviewed a statistically significant number of residents who received repair work. The new monitoring arrangements are to interview by telephone all residents who have had internal repair. This should produce a more representative and accurate reflection of tenant satisfaction. This approach also enables the referral of cases where tenants are dissatisfied to be addressed proactively. Mears and THH will undertake some post inspection of works to ensure work has been undertaken to a high standard and that residents are satisfied.

7.4 Complaints

A complaint can be reported to THH through a number of different channels. It can be reported online, through email, in a written letter, and by telephone through a complaints line or at a local neighbourhood centre. The website contains information on making complaints and provides an online link for reporting complaints. It sets out what will happen if a complaint is received. A leaflet is also available setting out the channels available for making a complaint.

8 Summary of key discussion points

8.1 Contracts and organisational structure

The change over to the new contract and changes to the new structure has been challenging for residents and for THH to manage. Once a decision had been made to terminate the contract with Morrison and Mite, THH felt performance issues resulted in a rise in the number of complaints from residents. The working group welcomed the approach to having local housing staff, performance and monitoring staff and repairs contractors physically based together because it should result in better management of repairs. Complaints from residents in the past has been that reported repairs have not been acted upon, many are lost in the process from the point a repair is reported to the point it is passed onto the repairs contractor. A number of cases were highlighted where the breakdown of communication has resulted in a very negative impact on tenants. The placement of all staff involved in the repairs process at a neighbourhood level should begin to address some of these issues.

8.2 This challenge session gave Members and residents the confidence that the service recognises some of the problems of the previous contract and that it has began to address these through the new contract. A future scrutiny challenge session considering progress made against the recommendations would give Members and residents an opportunity to consider how far reaching progress has been and establish confidence in the delivery of the service with the new contract. A range of issues were highlighted by the working group, some of which could not be fully considered due to time constraints. Also, the lack of information on customer satisfaction monitoring and complaints left the working group with a number of questions.

8.3 Morrison and Mite were driven to meet targets, often a repairs appointment would be attended to meet the target but the repair did not actually get fixed. The working group were concerned that old employees will be working under the new contract and their behaviour patterns and attitudes would remain unchanged, resulting in continued bad customer service. There were concerns that the negative impact of this would be felt more by older people and non-English speaking tenants. The introduction of handheld devices allows for tracking operative movement for better monitoring of repairs but residents feel will not be enough to challenge the behaviour of operatives. The linking of staff performance to customer satisfaction monitoring is seen as a positive move, and should include monitoring of the attitude of operatives. Paragraph 11.3 also highlights complaints as showing there are some differences in services received between different diversity groups. The working group welcome the use of improved IT and ask that a report be presented to the Scrutiny Lead for A Great Place to Live setting out complaints and customer satisfaction data, including on the attitude of

operatives with a breakdown by diversity attaching an action plan for mitigating any issues highlighted during 2011/12.

Recommendation 1: That THH undertake complaints and customer satisfaction monitoring including the attitude of operatives and report on this with diversity breakdown with an action plan to OSC Lead for A Great Place to Live in 2011/12.

9 Resident engagement

- 9.1 The review session was well attended by tenants who were part of the repairs procurement group involved in procuring the new contract. THH will support a service improvement group looking at investment and repairs and residents can lead on this by developing a work plan for issues they want to consider. The working group felt that the group was not diverse enough to reflect the diversity of the borough. In the context of this and a discussion on better use of notice boards and engagement techniques which have been successful such as 'You Decide', (an event where residents decided on priorities for the budget) they suggest that THH review its approach to resident engagement and develop innovative ways of engaging residents which would encourage a response which is reflective of the borough.

Recommendation 2: That THH reviews its approach to resident engagement to develop innovative ways of engaging residents which encourages a more diverse response, including reviewing the diversity of the repairs groups.

- 9.2 Texting to a landline costs the recipient; residents felt this was more likely to impact older residents more than other groups and that consideration be given to how this negative impact might be addressed. Suggestions were that where there is no mobile number provided, whether it is possible to call residents directly to remind them of the appointment. Another option may be that tenants might agree to the use of a mobile number of a family member as an option available to them.

Recommendation 3: That THH consider asking tenants who use landline only to use the mobile number of a family member to receive service reminders or that THH considers calling residents directly to remind them of appointments.

10 Satisfaction monitoring

- 10.1 One of the key drivers for Members wanting to undertake this challenge session was the significantly large number of complaints they receive at councillor surgeries on THH repairs issues. The working group feel that this is not in line with the expectations of a 2 star organisation. They welcome the move to interview all tenants who have a repair undertaken as it creates an opportunity to pick up problematic cases and address them before they escalate to a complaint. Residents expressed the view that they were unaware of how satisfaction rating was achieved and data analysed. Transparency and confidence in the data would be strengthened if residents can be involved in considering how statistics are put together and reported, involving Kwest in doing this with residents would establish confidence in the use of Kwest for the purposes of reporting on customer satisfaction.

Recommendations 4: That THH works with tenants and Kwest to improve transparency and to establish confidence in customer satisfaction monitoring, analysis and reporting.

11 Complaints

11.1 The channels available for making a complaint are online, in person at a neighbourhood office, through email or through a repairs telephone line. The channels open do give residents a range of options to get access. The repairs service performance data illustrates that the service is on target, the working group were concerned that a significantly large number of complaints is coming forward for a service which is meeting targets for satisfaction with repairs and repairs right first time. A discussion on the complaints procedure followed, the following observations are raised:

- A leaflet has been produced outlining the options available for making a complaint;
- Residents were not aware of the complaints telephone line;
- Residents experienced difficulties with getting through to the complaints telephone line.

11.2 The working group stated that the complaints telephone line needed to be much more widely advertised with clear referencing to it as a complaints line, including updating the website. There was some discussion on the use of a single telephone line for reporting repairs, making enquiries and for making complaints; this might address the problems of not being able to get through to the complaints line. The introduction of a 0800 number would be particularly useful for older residents but may be more expensive for the increasing number of people who now use mobile phones. The working group agreed that the single most important action was wider advertising of the complaints line with clear reference to it as a complaints line. The time limits of a challenge session did not allow for a full discussion, and this may be an issue THH resident groups can explore.

11.3 The complaints Members received demonstrates that there is some difference in service received between different diversity strands. A diversity analysis of satisfaction surveys and complaints has been done and plans developed to address any inconsistencies by THH. The working group felt that this information should have been made available as part of the discussion on customer satisfaction and complaints. It would have been useful in the context of either developing or testing the action plan with the involvement of residents and Members as community leaders. The availability of this information would have reassured the working group of transparency. Going forward, access to complaints can be an issue for the repairs and investment group and the customer access group to consider and develop an action plan for as part of their work for 2011/12.

Recommendation 5: That THH undertake wider advertising of the complaints line with clear referencing to it as a complaints line.

Recommendation 6: That THH support the resident groups for repairs and investment and customer access to consider access to complaints as part of its work for 2011/12.

12 Conclusion

- 12.1 This area of scrutiny challenge has been a key concern for Members because they are dealing with a high volume of complaints from residents. Repairs impacts on many aspects of the lives of local residents and this challenge session has given Members the assurance that some of the old problems can be addressed through the new contract. Considering this issue again next year will tell whether the new measures have worked and if performance has improved and a recommendation has been put forward to further engage scrutiny. The key area of focus in considering the challenge presented by the large volume of complaints for a 2 star organisation has been the arrangements for analysing and reporting on customer satisfaction and complaints. A number of recommendations have been put forward to address this issue. As the challenge session is time limited and did not allow for a full discussion on all the issues raised a number of recommendations have been put forward to engage the resident groups in considering the issues as part of their work programme.
- 12.2 There was some discussion about the appropriateness of the timing of this review given the new contract was agreed and about to commence. The working group agreed that timing has been good because it gave them the opportunity to raise concerns about how some of the problems with the old contractor were going to be addressed through the new contractor with their involvement.
- 12.3 A more general discussion on transparency emerged from the discussion on customer satisfaction and complaints. This challenge session has been a starting point in exploring transparency and involving residents in the monitoring and reporting arrangements will continue to encourage this.

13 Concurrent Report of the Assistant Chief Executive (Legal)

- 13.1 The Council is required by section 21 of the Local Government Act 2000 to have an Overview and Scrutiny Committee and to have executive arrangements that ensure the committee has specified powers. Consistent with this obligation, Article 6 of the Council's Constitution provides that the Overview and Scrutiny Committee may consider any matter affecting the area or its inhabitants and may make reports and recommendations to the Full Council or the Executive in connection with the discharge of any functions. It is consistent with the Constitution and the statutory framework for the Executive to provide a response. The Executive can liaise with THH regarding its view on implementation of the Committee's recommendations.
- 13.2 As set out in the report, a number of the Council's management functions in relation to its social housing have been delegated to Tower Hamlets Homes Ltd. The recommendations relate to the exercise of the management functions relating to disrepair, although care will need to be taken in relation to recommendation 6 that implementation does not lead to contravention of the Data Protection Act 1998.

14. Comments of the Chief Financial Officer

- 14.1 This report updates the Overview and Scrutiny Committee on the outcome of the scrutiny challenge session on the customer care of Tower Hamlets Homes (THH) housing repairs service. THH is the Arms Length Management Organisation (ALMO) established by the Council for the purpose of managing the Council's housing stock. The costs of the housing repairs service are met from funding within the Council's Housing Revenue Account (HRA) which is managed by Development & Renewal Directorate as the Council's client for dealing with THH.
- 14.2 The report contains recommendations for both THH and Development and Renewal directorate to agree and take; each of these may have financial implications for the Council at a time when the Council faces significant reductions to funding over the next four years.
- 14.3 Consequently, any recommendations agreed which require additional costs must be contained within the funding available either within the HRA budget or directorate revenue budgets. Also, officers will be obliged to seek the appropriate financial approval before further financial commitments are made.

15. One Tower Hamlets Considerations

- 15.1 Members were pleased to have had a chance to discuss issues highlighted to them by residents on housing repairs. The timing of the challenge session allowed space to give Members and residents reassurance that measures were in place to address problems with the old contractor through the new one. Through their role as community leaders and recognition of the impact of disrepair they were able to bring together partners and local residents to form a number of recommendations to address this pressing issue.
- 15.2 A number of recommendations in this report have One Tower Hamlets implications as issues highlighted show that particular groups are affected. In view of concerns about the attitude of operatives and complaints data highlighting that there is some difference in services received between different diversity strands, recommendation 1 suggests reporting on complaints and customer satisfaction monitoring by diversity strands to the Overview and Scrutiny Committee. Recommendation 2 seeks to encourage more diversity in resident engagement. Recommendation 3 in particular suggests considering other ways of reminding residents of appointments as the working group felt that the costs of texting to a landline would impact negatively on older people more than other groups.

16. Risk Management

- 16.1 There are no direct risk management issues to arise from this report.