

Housing, Finance and Corporate Services Policy and Scrutiny Committee

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Classification:	General Release
Title:	CityWest Homes – implementation of new operating model and repairs services
Report of:	Jonathan Cowie, CEO, CityWest Homes
Cabinet Member Portfolio	Housing
Wards Involved:	All / Specific
Policy Context:	Building Homes And Celebrating Neighbourhoods
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1. Executive Summary

- 1.1 Since June 2017 CityWest Homes (CWH) has changed its operating model for service delivery and mobilised new contracts for repairs and maintenance. This report explains why the changes were necessary and how the quality of services to residents has been impacted. It also explains arrangements for on-going service improvements.
- 1.2 The changes to the operating model were designed to simplify how residents contact CWH whilst improving service quality and consistency. They were structured to make better use of the resources available to provide support to residents. The new repairs contracts were designed with residents, to be easy for customers to use, to deliver value for money and provide a reliable service.
- 1.3 The changes implemented impacted on all parts of CWH and combined, represented the greatest level of change to the Westminster housing service in 20 years.
- 1.4 Initially, both customer contact handing and repairs performance dropped to unacceptable levels. A backlog of repairs created during the handover of contracts pushed call volumes upwards and resourcing levels both within the new customer services centre and the incoming repairs contractor were insufficient to cope.

- 1.5 A recovery plan was put in place in November but it has taken time for the issues to be worked through and performance was poor between September and January. The new arrangements have now been bedded in and performance levels are improving.
- 1.6 The benefits of centralising call handling on housing management teams can be seen in new ways of working. The new structures allow more time to work with tenants who need more support to sustain their tenancies and live independently. The new specialist teams are also adding value, with increased joint action plan between CWH specialist ASB team, the police and relevant WCC teams.

2. Key Matters for the Committee's Consideration

The committee is asked to consider:

- What further reassurance is required that performance is improving
- What service improvements should CWH prioritise in the year ahead
- How would they wish to review progress over the year ahead?

3. Background

3.1 CityWest Homes operating model and reasons for changes

- 3.1.1 In 2014, Westminster City Council (WCC) commissioned Altair, a specialist housing consultancy, to carry out an independent review of CityWest Homes (CWH). The findings (February 2015) included that our service was good but the operating model was dated and the cost of service was high in comparison with other housing organisations.
- 3.1.2 We commissioned a further review by Altair for January 2016), which confirmed that CWH delivered a high quality service but through a fragmented, expensive and resource intensive operating model, which was not aligned to how customers interacted or wanted to interact with CWH.
- 3.1.3 At that time CWH was providing its services through 4 area service centres and 10 estate offices, with a central call centre for repairs, plus a head office at 21 Grosvenor Place. The estate offices provided a limited service, with some specialist functions available at area offices.
- 3.1.4 In a typical week, 94% of customer interaction was by telephone or email yet the operating model was still largely based on the provision of face-to-face contact via front facing offices.
- 3.1.5 Customer facing offices required a minimum staffing level of three people for Health and Safety reasons resulting in small teams being unable to leave the office to undertake proactive home visits, or estate inspections. As a result, service quality was inconsistent with inefficiently deployed staff.

3.2 CWH strategy

3.2.1 The CWH strategy 2015-2020 was approved by our Board and WCC in December 2015 and set out to address the issues identified with the operating model, specifically:

- Simplifying how we deliver services to make it easier for customers to contact us and for us to deliver right first time

And

- Continuing to offer services by phone and face to face and introducing online services to increase choice

3.2.2 The strategy explained that these objectives would be achieved by:

- Changing our service delivery structure and establishing new roles and responsibilities to simplify customer access
- Providing a full range of online services for tenants and lessees to use quickly and easily, anywhere and at any time
- Continuing to provide face to face services locally and offering greater support to vulnerable residents
- Working with tenants and lessees to update our service standards to align with their changing needs

3.2.4 Through reducing the network of estate offices, relocating some of those staff to a customer service centre (to handle first line enquiries by phone and e-mail), and others to area offices, it would be possible to improve the consistency of service delivered to customers whilst freeing housing management staff to spend more time in the community, visiting residents and managing estates.

3.2.4 It was also expected that over time, the provision of reliable, secure online services would reduce face to face and phone contact. This would reduce service costs and provide the opportunity for savings to be reinvested. Our expectation remains that those savings will be used to help residents sustain their tenancies and live well in the community, and also be invested in the housing stock with the overall ambition of improving health and wellbeing.

3.3 Repairs and Maintenance Services

3.3.1 CWH strategy 2015-2020 also covered the provision of repairs services. The contracts for the provision of those services were due to expire in rapid succession and a project was established to review and repackage works into new contracts to:

- deliver new repairs services that are easy for customers to use, deliver value for money and provide a reliable service.

3.3.2 The timetable for procurement allowed little flexibility, with limited opportunity for extending contracts and the need to comply with both EU procurement regulations and those for lessee consultation and charging.

3.3.3 Consequently, CWH was faced with a need to implement a more efficient operating model whilst re-letting a full suite of repairs and maintenance contracts, exiting contractors and mobilising new arrangements. These transformation projects were implemented simultaneously in 2017.

4. Changes since June 2017

4.1 In June 2017 CWH centralised customer services to simplify contact for residents whilst offering more choice by:

- establishing a central contact centre and replacing 450 phone numbers with one number for all resident enquiries
- replacing 280 email addresses with a single customer services email address
- improving online services including a new website and development of online accounts, to provide an alternative way for residents to contact us and access services 24/7
- launching regular 'drop-in' sessions providing surgeries for residents across its estates in place of under used estate offices
- identifying vulnerable residents and providing home visits when needed
- providing staff with mobile working technology to improve effectiveness when working out of the office, on visits and inspections
- simplifying delivery of services and reducing inefficiency to save £5 million over the next 5 years
- refurbishment of 4 area service centres to provide a consistent welcoming environment

4.2 At the same time, CWH appointed two long term major works contractors and five new repairs contractors:

- to deliver all planned maintenance and refurbishment works across Westminster's estates
- to deliver services to standards agreed with residents through long term partnering arrangements

- with significant social value benefits, including apprenticeships and training for Westminster residents
- new contracts will save around £60 million over the next 10 years

5. Performance since June 17- March 18

5.1 Implementing the customer service centre

5.1.1 The new operating model has now been in place for 8 months. Following the launch of the new customer service centre in June, call waiting times were much longer than acceptable as the volume of calls received exceeded expectations when planning staffing levels. The number of staff in the service centre has now been addressed to manage the workload. It took time to grow the team sufficiently to cope with the volume of calls and provide them with the skills and tools needed. Regrettably call handling performance was poor from September to January.

5.1.2 Call handling performance has improved week by week since January and we are actively managing staffing levels in the customer services centre to maintain performance. We have also introduced technology to automatically call residents back in line with their place in the queue so they don't have to wait on the phone during peak times. During February 72% of calls were answered within 30 seconds and the following table illustrates the positive direction of travel in call handling performance.

Total for period spec	Nov Total	Dec Total	Jan Total	Feb Total
Call volume	28814	22150	23414	18652
Average wait time (minutes)	8:40	4:22	2:21	1:17
% Calls abandoned (calls under 60 secs)	19.9%	15.3%	6.1%	3.7%

5.1.3 Two events contributed most significantly to the increase in call volume compared with steady state: heightened interest in fire safety following the Grenfell Tower tragedy and the demobilisation and mobilisation of repairs contracts.

5.1.4 Our fire safety communication campaign has addressed frequently asked questions regarding fire safety and continues to provide information to residents. Calls reduced to a minimum in this area relatively quickly.

5.2 Mobilising the repairs contracts

5.2.1 7 new contracts providing responsive repairs services commenced between June-August 2017 and performance was good across 6. The largest contract providing general building repairs services experienced problems, and performance dropped below target levels during the mobilisation phase. The

exiting contractor had left a backlog of approximately 2000 outstanding jobs (representing 2 week's work) which, regardless of contractual issues needed to be completed. This placed an additional pressure on the new contractor while establishing its workforce. Regrettably the workforce of the main repairs contractor was insufficient to manage the volume of work received. This generated increased call volumes to the customer service centre from residents who understandably, wanted to know when their repairs would be completed.

5.2.2 During November an overarching action plan was put in place to improve the call centre and repairs service, which included:

- Improving customer service centre performance on handling and ordering repairs
- Embedding performance management arrangements with new contractors, increasing the workforce and clearing the repairs backlog
- Improving IT interfaces so that CWH and contractors have access to one set of data and systems are updated in real time.

5.2.3 Since increasing the workforce, response times have improved and the initial backlog of repairs has been cleared. Performance on completion of repairs in priority improved from 79.65% in December to 87.94% in February. In addition, 87% of emergency repairs were responded to within 24 hours and 100% within 48 hours.

5.2.4 In February we introduced a repairs diagnostics tool, 'Locator Plus', which enables the call centre agents to more accurately diagnose repairs. This has improved the accuracy of information passed to the contractor and should ensure more repairs are completed at the first visit.

5.2.5 Good working relationships continue to be forged with contractors and the main repairs contractor, Morgan Sindell have transferred 6 of their work planners into the customer service centre, to work alongside the main call centre, which is enabling issues to be resolved far quicker and efficiently.

5.2.6 The new contracts include some customer care features that previous contracts were unable to offer and customers now receive a text message to confirm the appointment and give confidence in the service, which has started to reduce the number of follow-up repairs calls to the contact centre. Morgan Sindell now also text customers on completion of work to measure satisfaction.

5.2.7 Our own monitoring of customer satisfaction with the repairs service showed an improvement from 68% in January to 77% for February 2018. There is still some way to go to reach target and the feedback provided from the surveys is helping to inform improvement plans.

5.2.8 A large proportion of repairs are related to plumbing and drainage and a 'leak detection' project has been established to review and identify how best to

tackle the issues presented by the stock in a pro-active way. The project is progressing well, with a wide range of solutions being formulated which will assist immensely in our future response to dealing with leaks and drain blockages.

- 5.2.9 Our people and our contractors responded magnificently to the sub-zero temperatures in early March. We have learned a lot about our housing stock and how it performed throughout this weather which will enable us to put in preventative measures which will serve us well in future years

5.3 Changes to housing management services

The new structures allow our housing teams to spend more time out with residents and have pro-actively visited over 1000 tenants to identify ways in which CWH in partnership with WCC and other agencies can support them better. The advice and assistance is designed to help tenants to sustain their tenancies and live independently. Over 200 interventions have been carried out, including:

- Money advice and debt counselling
- Signposting to befriending services
- Assisting with property downsizing and moving closer to family
- Referrals for OT assessments and adaptations to enable tenants to live independently for longer

The new specialist teams are also adding value, with increased joint action plan between CWH specialist ASB team, the police and relevant WCC teams.

6. Next steps

The foundations of our new operating model are in place and we have agreed clear priorities for the year ahead with WCC which will be monitored as part of our performance review regime. Those priorities include:

- Supporting City for All
- Getting the basics right – embedding the new operating models
- Fire safety
- Communications
- Digitalising services

We are working closely with WCC to further develop our plans to improve services to residents through our new operating models and will update the committee on progress over the course of the year.

**If you have any queries about this Report or wish to inspect any of the Background Papers please contact Report Author Andrea Luker
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