



CITY OF WESTMINSTER

MINUTES

Housing, Finance and Customer Services Policy & Scrutiny Committee

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Housing, Finance and Customer Services Policy & Scrutiny Committee** held on **Monday 27th April, 2015**, Rooms 5, 6 & 7 - 17th Floor, City Hall.

Members Present: Councillors Tim Mitchell (Chairman), Antonia Cox, Paul Dimoldenberg, Peter Freeman, Richard Holloway, Gotz Mohindra, Guthrie McKie and Adnan Mohammed

Also Present: Councillors Melvyn Caplan, Cabinet Member for Finance, Corporate & Customer Services

1 MEMBERSHIP

1.1 It was noted that there were no changes to the membership.

2 DECLARATIONS OF INTEREST

2.1 There were no declarations.

3 MINUTES

3.1 **RESOLVED:** That the minutes of the meeting held on the 9 March 2015 be signed by the Chairman as a correct record of proceedings.

4 WORK PROGRAMME

4.1 The Chairman informed members that suggestions were sought for the work programme for the coming year. He advised that a public consultation was due to be undertaken over the summer on the Council's New Housing Strategy and that if the timetable did not fit with the committee's meeting cycle a task group would be set to provide comments.

4.2 A request was made to include a follow-up item on Housing Associations and RSL's tenant satisfaction levels. This should include information on the number of calls made per provider to residential environmental health.

4.3 The Chairman advised that the aborted committee visit to an intermediate housing scheme in Westminster was due to be rescheduled for mid June. A review and feedback session on scrutiny over the last 12 months was due to be held for all policy and scrutiny members in the Lord Mayors parlour on Tuesday, 16 June. Invitations to both events would be circulated shortly.

4.4 **RESOLVED:**

1. That reports on the new Housing strategy, review of housing management options and Finance, Annual Accounts and Forward Planning be submitted to the next meeting on 10 June.
2. That the responses to actions and recommendations set out in the tracker be noted.

5 UPDATE FROM CABINET MEMBERS

5.1 The Committee received a verbal update from the Cabinet Member for Finance, Corporate and Customer Services on the following aspects of the portfolio:

5.1.1 That the Finance team was working to improve on last year's achievement of accelerating the closure of the Council's annual accounts. He thanked the City Treasurer and his team for all of their work over the course of the year to achieve this objective. He informed the committee that the annual accounts would be considered by the Audit & Performance Committee on 21 May.

5.1.2 That as forecast the budget for 2014-15 came in on target. This had been achieved through considerable hard work. Notwithstanding the outcome of the general election he expected there to be continued pressure on budgets next year.

5.1.3 That he had signed off an executive report approving the establishment of a Tri-borough Legal Services team. He advised that an Appointments Sub Committee Panel would be meeting in due course to appoint a Head of Tri-borough Legal Services. A consultation on IT services had just concluded and a decision on this would be taken in the next few weeks.

5.1.4 The Managed Services Programme for HR and procurement went live a couple of weeks previously. There has been a high volume of small issues but no fundamental problems. The former included some members of staff not being paid on time or being underpaid. Some members of staff had also experienced overpayments in pension contributions. In most cases the former was resolved in 1 to 2 days while the pension related issue would be resolved next month. Extra support was being provided to schools which had only recently returned from the Easter break and were catching up on these issues.

5.2 The committee noted the written update from the Cabinet Member for Housing, Regeneration, Business and Economic Development on key aspects within the portfolio.

- 5.3 Further to the written update the Executive Director for Growth, Planning & Housing informed the committee that the council had recently submitted a bid of £20-£25 million to the GLA for housing growth zone funding of in the Church Street area to speed up the delivery of housing renewal. Officers had attended an initial meeting with the GLA. The next stage would be to present a challenge bid at the GLA on 13 May.
- 5.4 In the absence of the Cabinet Member, the committee submitted questions to Ben Denton, Executive Director for Growth, Planning & Housing.
- 5.4.1 The Executive Director was asked for details about the appointment of a new chief executive for CityWest Homes. He informed members that Jonathan Cowie had been appointed. Mr Cowie was currently the chief operating officer of Sovereign Housing, one of the largest housing associations in the South and South West of England. He had previously worked at GEC so had both commerce and affordable housing sector knowledge. He was due to start on 16 June and there would be some overlap with the current Chief Executive. Mr Cowie's locus would be to maintain leaseholder and tenant satisfaction ratings.
- 5.4.2 The Executive Director was asked how long and how much it would cost to decant those parts of the Ebury Bridge estate that are required to facilitate the regeneration scheme. The committee was informed that the total cost of acquisitions and decants including acquiring those homes within the estate owned by Soho housing would be approximately £55 million. To date about 20% of properties required in the estate had been acquired. The council was currently acquiring about two homes per week. A report would be submitted to the relevant Cabinet Members for a CPO approval in due course. It would take approximately 2 years for the entire CPO process to be completed. In the interim some of the vacated accommodation on the estate would be used as temporary housing. The regeneration scheme would be funded from the Housing Revenue Account, the Affordable Housing Fund and Westminster Community Homes.
- 5.4.3 Mr Denton was asked for further information about the Right to Buy Social Mobility Funding scheme. He explained that this was an alternative to Right to Buy where qualifying tenants can be provided with cash grants to buy out of borough on the open market. This allows mobility from the council housing stock. The scheme is a GLA initiative where the GLA would match fund cash grants provided by the council. Take-up of the funding has been relatively slow.
- 5.4.4 Members asked whether the council had improved its processes following the judgement of the Supreme Court against the council on a temporary accommodation case. The committee was informed that the council has had counsel's opinion on a revision to the wording of its offer letter and that it hoped to start using this from the following week. A number of approaches used by the Housing team would be strengthened by formally adopting processes as policies. The council will also test with Counsel how it clarifies to homeless households how it allocates properties and prioritises in-borough

placements for those who are homeless versus those on the council's social housing list. Mr Denton advised that there were a further 4 court cases pending relating to other local authorities and that these processes would get tested again in court.

5.4.5 In response to a supplementary concern raised by a member regarding the lack of social and affordable housing in the city the Executive Director advised that at present there was an imbalance between the number of households accepted as homeless by the council and the availability of housing. In the past demand and supply was roughly equal. Of those households which are homeless only 30% include one person in work. The council is working with the remaining 70% to address the barriers to employment in order to stop them being affected by the cap on benefits. This includes helping people to develop employability skills and developing models for local affordable childcare. The council is also trying to develop low-cost rented accommodation which is only slightly above social housing rent levels.

5.4.6 Mr Denton was asked for information about the timeframe for delivering the Tools for Our Future programme. The programme will support and inform the decision-making of young people aged 16 to 24 when moving into employment, education and training. He advised that a team would be established within the next six months to deliver the programme. He explained that many initiatives had been developed and were available to help young people, however navigating through them can be confusing for customers. The programme aims to join up existing teams to offer a tailored offer to young people. In response to a supplementary question, the Executive Director advised that the council was currently reconfiguring its employment programme. Those that have worked well to date have included initiatives to support youth employment. Those that had proved challenging have included helping the long-term unemployed, those who are 50 years and over and individuals with complex issues. These groups require a much more joined up approach involving health practitioners, Housing and Adult Services.

6 IMPLEMENTATION OF THE NEW CUSTOMER CONTRACT AND THE BACK OFFICE CONTRACT (TO FOLLOW)

6.1 The Committee received a report that provided an overview of the implementation of the contact centre and back office contract awarded to Agilisys which commenced on 3 November 2014. This included changes resulting from the new contract, and benefits to the customer experience and contract performance.

6.2 It was noted that the report was circulated separately to the main agenda and did not meet the statutory deadline. The chairman agreed to accept the paper as a late item.

6.3 The Committee considered the report and asked questions on a range of issues as follows:

6.3.1 Members asked a number of questions around contract performance including how quality is monitored; how underachievement is evaluated;

whether customer feedback is requested following an interaction with an adviser and the checks and balances in place to ensure that the model of payment per transaction is not misused. The committee also wished to know about the resources required to monitor the contract.

Suzanne McArdle, Head of Digital, informed members that advisers have a random selection of their phone conversations with customers checked each month for quality. The contract is monitored by specific key performance indicators (KPIs) covering call answering, customer satisfaction, quality, e-mail handling and web chat responses. The payment for a phone transaction is £1.48 in hours and out of hours £4.25 and an email is £3.26. There are penalties on a sliding scale when the KPI's are not met. The KPI's are checked on a monthly basis. Feedback isn't requested following an e-mail exchange however there is a facility on the Council's website to rate web services through a 'rate this page' function. Due to the payment per transaction model, it was recognised that while it was in the contractor's interest to engage in as many contacts as possible this is closely monitored. This would include ensuring that the contractor does not reply to customers unnecessarily or deflect users towards a particular form of interaction. A close check would also be kept on the handling of out of hours calls as the payments for these are more expensive. Miss McArdle advised that the monitoring of the contract did not require lots of resources and was handled predominantly by her and a contract manager.

The Cabinet Member for Finance, Corporate & Customer Services advised in relation to the KPIs for call answering that while these are not quite being met the council had set the bar quite high and therefore the majority of customers would be happy with these response times.

- 6.3.2 The committee then asked a number of operational questions. This included a request for information about the new Customer Relationship Management (CRM) system which is used for logging contacts, capturing customer details and scripting processes to ensure consistent information and guidance is provided. Members also queried whether Agilisys receives a notification from the relevant service area when an issue they have forwarded on has been dealt with.

Miss McArdle informed members that when the council migrated to the new system there was initially some data loading issues as well as some bugs, however, this is not unusual when launching a new system. These were resolved with the system provider. There was also some teething issues at the start with agents not accurately capturing customer details. This was picked up and addressed during quality checks. She confirmed that Agilisys did receive feedback from service areas once an issue had been dealt with.

One of the members informed Miss McArdle that he had sent an e-mail to the Environmental Action Line last week but had not received a reply. He asked whether issues were being passed to the relevant parts of the Council. He also commented that there didn't appear to be any monitoring of the issues being reported as some were notified repeatedly. While they were dealt with what was required was a proactive long-term solution rather than a piecemeal

reactive response. Miss McArdle advised the Councillor that he should have received a reply and she undertook to look into this. The Cabinet Member advised that all cleansing related issues reported online were sent directly to the council's contractor Veolia. He acknowledged that while issues get dealt with there may not be an assessment of how often the same issues are reported. He agreed that there was merit in reports being segregated and analysed.

- 6.3.3 Attention was then turned to the customer experience. It was noted that the move towards online functionality promotes a change in customer behaviour enabling and empowering customers to transact with the council through a comprehensive range of web and automated telephony services. Miss McArdle was asked whether the council had any projections about the likely shift in transactional methods used by customers over the next few years. She was also asked whether it would be possible for customers to provide their details once and for these to be shared as necessary across all transactions.

The committee was informed that indicators suggested that the Customer Digital Programme would result in a 30% drop in direct customer interaction with the council by the end of the contract's term. The council has set a target of 15 to 20%. Miss McArdle advised that the technology existed to share a customer's details for all transactions across the council, however, issues around data sharing and data protection would need to be explored and resolved before such a function could be considered for introduction. The Cabinet Member advised that while he was initially in favour of such a joined up approach he was now more neutral about its merits. He explained that it would require a significant number of people to sign up to it in order to make the cost per individual per transaction viable. He questioned whether this would be achievable given the large churn in population that occurred each year in the city.

- 6.3.4 The Committee asked about opportunities to further improve the customer experience, in particular whether the council should be responding to tweets and the possibility of customers interacting with the council via mobile applications. Miss McArdle advised that she had experience of working with channels such as Twitter. She stated that the council would need to think carefully about adding any additional channels as this would require an investment in greater resources as the number of tweets received would quickly escalate. She stated that as a middle ground the council could respond to essential tweets or direct people to the proper reporting channels. Similarly, while the council could develop an app, an additional channel would involve extra costs to the council. She clarified that the council's website is a responsive system which can be used on mobile phones.

- 6.4 It was noted that the new contract includes the potential for a further three year extension. The Cabinet Member was asked when a decision on this would be taken. He advised that the council has until the spring of 2017 to make a decision. The council would consider such matters much earlier as if it did wish to procure a different provider it would need a good lead-in time to facilitate the procurement.

6.5 **RESOLVED:** That the report be noted.

6.6 **ACTION:**

1. Provide the committee with metrics on customer satisfaction, call answering, e-mail handling, quality and volume of interaction including by service area. (**Action for Suzanne McArdle, Head of Digital**)
2. Investigate and provide a response to Councillor Dimoldenberg about why he has not received a reply to issues reported via e-mail last week to the council's Environmental Action Line. (**Action for Suzanne McArdle, Head of Digital**).

**7 ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT:
TREASURY OUTTURN 2014-2015**

7.1 In accordance with the council's treasury management practices, the Committee received a report that set out the Council's Annual Treasury Outturn for 2014-15.

7.2 It was noted that the paper had been circulated separately to the main agenda and did not meet the statutory deadline although it had been on the committee's work programme for many months. The chairman agreed to consider the paper as a matter of urgency as it would be appropriate for the capital outturn to be considered at about the same time that the accounts as a whole are considered by the Audit Committee.

7.3 The committee noted that the weighted average interest rate of return on cash investments over the year was 0.60% which reflects the annual investment strategy's priorities of security of principle then liquidity over yield. Only about £25 million in cash deposits had been invested in terms deposits greater than one year. Steve Mair, City Treasurer, informed members that officers are currently exploring a range of options to improve on the treasury management and related investment strategies to ensure the best use of the available resources. This would include considering options for investing in longer term deposits as well as whether it is possible to invest surplus cash in the council's pension fund which would in turn help to address it's deficit. A report on future initiatives will be presented to committee during 2015-16.

7.4 It was noted that this would be the last meeting attended by Jonathan Hunt, Director of Corporate Finance and Treasury Management, who was leaving the council for a new job. The committee thanked Mr Hunt for his work and wished him well in his new job.

7.5 **RESOLVED:** That the report be noted.

The Meeting ended at 8.30 pm

CHAIRMAN: _____

DATE _____