

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
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Title:	CityWest Homes Performance Update
Wards Affected:	N/A
Financial Summary:	N/A
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1. Executive Summary

1.1 This report summarises CityWest Homes' (CWH) performance for the financial year 2017/18 and the period April – July 2018. It provides an update on the management of complaints and members' enquiries. It explains the changes within CWH during 2017/18 and the impact of those changes on operational performance. It incorporates a review of contracts let by the City Council and managed by CWH; an overview of CWH' risk management and a summary of CWH financial position for 2017/18.

2. Recommendations

- Committee notes the content of the report
- Committee indicate any areas of the report that require further investigation
- Committee highlights any new emerging risks that have not been captured

3. Background

3.1 Changes to the operating model

3.1.1 In June 2017 CWH changed its operating model for service delivery and began mobilising new contracts for repairs and maintenance, and major works. The changes were designed to modernise service delivery, improve consistency and meet savings targets. The changes undertaken were considerable and services to residents have been

impacted. CWH is now working through the implementation of recovery plans to bring the service back to the levels expected by residents. Steady progress has been made to improve performance since February 2018. Most areas of the housing service are forecast to be performing at pre-June 2017 levels by the end of this financial year, with an expectation that customer satisfaction ratings will lag approximately six months behind.

- 3.1.2 Prior to June 2017, CWH provided services through four area service centres and ten 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 service centres.
- 3.1.3 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.
- 3.1.4 Customer facing offices had a minimum staffing level of three people for staff 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.
- 3.1.5 CWH's strategy 2015-2020 was approved by its Board and the Council in December 2015 and included plans to address the issues identified with the operating model. Specifically: simplifying service delivery to make it easier for customers to contact CWH and for CWH to deliver right first time, continuing to offer services by phone and face to face and introducing online services to increase choice.
- 3.1.6 Changes to the service model in June 2017 included creating a single contact centre to handle all service requests and enquiries, reducing the network of estate offices, relocating some of those staff to the customer service centre and others to area service centres. The changes were expected 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 Changes to repairs and major works contracts

- 3.2.1 The suite of contracts for the provision of repairs services to the Council's housing stock were due to expire in rapid succession in 2017 and offered limited opportunity for extension. With the requirement to comply with both EU procurement regulations and those for lessee consultation and charging, the timetable for procurement allowed little flexibility.
- 3.2.2 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 projects were implemented simultaneously in 2017.

3.3 Impact of the changes

- 3.3.1 During the winter of 2017, both customer contact handling 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.
- 3.3.2 A recovery plan was put in place in November 2017 but it has taken time for the issues to be worked through and for performance levels to recover.
- 3.3.3 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 planning between CWH specialist ASB team, the police and relevant Council teams.
- 3.3.4 The housing management teams were previously seen as front and centre to service delivery. Since the creation of the contact centre and closure of estate offices, their function has become less clear to residents, despite the good work they undertake. We will start work to create local management plans and will work with residents and stakeholders to identify local priorities and set out how these will be addressed by CityWest Homes and other stakeholders including the council.
- 3.3.5 The performance of the customer services centre, and in particular call handling performance has been on or close to target throughout the period April-July 2018, with improvements in speed of answer and reduction in average handle time. The focus for 2018/19 is on improving the quality of service delivered whilst maintaining an acceptable level of performance call waiting time.

The largest demand continues to be for repairs services, with call volumes forecast to increase over the autumn into the winter months. Staff resourcing levels have been reviewed and plans are in place to ensure we can continue to deliver acceptable levels of services during the busy winter months.

4. Operational Performance

- 4.1 The Strategic and Performance Framework sets out the strategic measures, key performance indicators and governance arrangements between the Council and CWH. The Strategic and Performance Framework targets are reviewed by the Council and CWH and reset each year.

4.2 The purpose of the Strategic and Performance Framework is to:

- Provide clarity on the outputs and outcomes expected from the Council and CWH
- Detail the relationship that the Council will seek to maintain with CWH
- Ensure that the Council and CWH work together in a constructive and co-operative manner
- Support continuous improvement in housing services

4.3 The Council's housing client team works closely with CWH on a monthly, quarterly and annual basis to ensure that performance measures and targets adequately reflect the Council's housing priorities, and performance requirements.

4.4 Appendix 1 provides the key performance indicators contained within the performance framework for 2018/19 and performance from April-July 2018. It also includes performance for 2017/8 and 2016/17 against those indicators.

4.5 The information presented below is reported by exception and focuses on those areas of notable achievement or concern where action/intervention is required.

4.6 **Key Performance Indicators (have exceeded targets)**

The following indicators formed part of the strategic framework for 2017/18 and provide a snapshot of some of the work done by CWH to support the Council in delivering its City for All ambitions.

- Dedicated mould and damp busting service - offering physical interventions and advice on prevention, delivering a significant impact on homes and health >1600 residents supported
- 12 comprehensive estate plans produced, providing a 30 year view of estates and opportunities for creation of new homes (target = 10 per year)
- 91 residents helped into work and over 150 supported towards employment (target = helping 100 towards employment)
- 1,402 tenancy review visits (target 500) and made 240 intervention visits to help new tenants, older residents and people who feel their housing may be affecting their health (target of 100 interventions). To support this work more than 75 CWH staff have signed up as members of the Alzheimer's Society's Dementia Friends and CWH have signed up to their Dementia Friendly Housing Charter

4.7 Current issues - Key Performance Indicators

4.7.1 Performance against the following KPIS is currently off target:

- Tenants satisfaction with landlord services – 71% against target of 86%
- Tenant satisfaction with repairs service – 82% against target of 90%
- Tenant satisfaction with quality of repairs – 80% against target of 88%
- Void relet time – 52 days against a target of 28 days
- Resident satisfaction with major works (various targets – see appendix 1)
- Resident satisfaction with complaint handling – 57% against a target of 80%
- Complaints responded to in target time 70% against a target of 97%
- Resident satisfaction with antisocial behaviour case handling 70% against target of 83%

4.7.2 Tenant satisfaction with landlord services 71% against a target of 86%

Tenant satisfaction with landlord services in Westminster was consistently upper quartile against other London boroughs but dropped in the second half of 2017/8 following changes to the service model and implementation of new repairs contracts. Recovery plans to improve service delivery are in place and satisfaction ratings are increasing. Satisfaction for the year to date is at 71% (representing middle quartile performance for London Boroughs) and should reach 80% within this financial year. We aim to reach the upper quartile threshold of 83% during 2019/20.

4.7.3 Tenant satisfaction with the repairs service 82% against a target of 90%

Improved call handling performance has helped increase satisfaction levels, however the length of time taken from requesting a repair to its completion remains a key source of dissatisfaction.

The development of closer links between the customer services centre, repairs managers and contractors is helping to reduce delays in agreeing variations to jobs and improving the information available the customer services centre. Co-location of contractor staff within the customer services centre is helping to improve resolution of issues and avoid complaints.

A major source of repairs is leaks. A dedicated leak detection team is in place to improve diagnosis and resolution. A programme of planned preventative maintenance has been developed to target drainage maintenance.

4.7.4 Tenant satisfaction with quality of repairs

Satisfaction for the year to date is at 80% against a target of 88% and is recovering steadily as the repairs recovery plan takes effect.

Text surveys are issued to tenants on completion of repairs providing early insight into repairs of poor quality. This information is being used to resolve issues quickly and to enable the contractor to address the source of complaints and dissatisfaction.

Post inspections are also providing data on quality standards for contract management purposes.

4.7.5 Void relet time 52 days against a target of 28 days

The average time taken to complete repairs on a routine void is 20 days. To achieve the overall target of 28 days this needs to be reduced to allow sufficient time for the letting process.

A review of the process, in partnership with the term contractor, the housing client team and the Council's Housing Options Service is underway to look at key areas where performance can be improved. The final meetings are due to take place in September 18 and an action plan with short, medium and long term actions will be agreed with all parties.

A number of actions have been identified for delivery from Q3 which will have a positive impact on turnaround time.

4.7.6 Resident satisfaction with major works (various targets – see Appendix 1)

Resident satisfaction with major works and major works consultation is currently measured following completion of major works schemes.

Common themes from the survey are the need for improved arrangements for making appointments for work to be carried out and improving communication on schemes as they progress. For existing schemes in the delivery phase, the above feedback has been taken on board. A new area has been added to the major works portal on CWH' website which includes key information, timescales and correspondence relating to the works. A Customer Charter is being piloted on the Hallfield Estate which offers residents an opportunity to let the contractor know about their priorities when works are on-site. If successful this will be extended to other schemes.

A new process is in place for the procurement and management of major works from which new schemes in development are benefitting and good feedback is being received. We will continue to develop this new approach and will monitor the effectiveness of the changes. As part of the change we will measure satisfaction with consultation when the consultation phase is complete.

4.7.7 Resident satisfaction with complaint handling 57% against a target of 80%

Satisfaction surveying recommenced in June 2018 with 14 responses received for the period April-July. The complaints backlog which developed over 2017/18 has now been cleared and complainants affected are being surveyed by telephone and e-mail. The main area of dissatisfaction noted is time taken to respond. Performance is forecast to improve from September/October 2018 after the complainants who experienced delays in resolving their complaint have been surveyed.

4.7.8 Complaints responded to in target time 70% against a target of 97%

A backlog of complaints from 2017/18 has now been cleared but has adversely affected performance for April-July 18. Performance is forecast to improve from September 2018. Most complaints are repairs related and a dedicated resource from our repairs contractor is co-located with our complaints team to assist residents and resolve service failures. Further information on complaints management is provided at section 5 of this report.

4.7.9 Resident satisfaction with antisocial behaviour (ASB) case handling 70% against a target of 83%

The ASB service was restructured in 2017 and had been using the learning from customer surveys to improve the service. Progress had been good, with performance at the end of 2017/18 at 81%.

Performance dipped in July as a result of staff vacancies which are now in the process of being filled. A plan is in place to improve service levels which includes:

- Back to basics training for new starters, ensuring ASB complainants are provided with an action plan at first contact with case manager
- Improving triaging in the customer service centre
- Auditing of cases by managers- checking progress of action plans and that contact and feedback is made weekly with complainants
- Monitoring satisfaction by case handler

Performance is forecast to recover from September and to meet target by Q4.

5. Complaints

5.1 Over the course of 2017/18 a total of 977 complaints were received. This is a significant increase on 2016/17 in which 399 complaints were received. The increase is partially explained by a change in process requiring all complaints to be logged and administered centrally. Previously complaints resolved locally were not included. It also reflects challenges with service delivery following the changes to the service model and repairs contract.

Service Area	Complaints received 2017/18	%
Repairs	567	58%
Customer Services	256	26%
Area housing teams	99	10%
Lessee services	55	6%
Total	977	100%

Table 1. complaints received 2017/18 by service area

- 5.2 Repairs is the largest service provided by CWH, with c50,000 repairs carried out each year and this service receives the highest volume of complaints.
- 5.3 The second highest area of complaint during 2017/18 was customer services. This reflects the poor service delivered during the latter part of the year.
- 5.4 For the period April-July 2018, a total of 236 Stage 1 complaints were recorded, with 20 progressing to a 2nd stage review. This is an average of 59 complaints per month, compared with 33 per month in 2016/17 and 81 per month in 2018/19.

Service Area	Complaints received April-July 2018	%
Repairs	157	66.5%
Lessee Services	22	9.3%
Customer services	11	4.7%
Central Area Housing team	10	4.2%
West Area Housing team	9	3.8%
South Area Housing team	7	3.0%
Major works delivery	5	2.1%
Income recovery (rents)	4	1.7%
Community Involvement	3	1.7%
North Area Housing team	3	1.3%
Health & Safety	2	0.8%
MEMO	2	0.8%
Antisocial behaviour	1	0.4%
Total	236	100%

Table 2. Complaints received April-July 2018

- 5.5 An average of 39 repairs complaints per month have been received since April and this remains the main focus for service improvement.
- 5.6 A dedicated resource from our main repairs contractor is co-located with the complaints team, providing assistance to customers and resolving service failures.

- 5.7 Customer satisfaction monitoring for the complaints service is starting to provide useful insight. Surveying is undertaken by Kwest Research who e-mail and phone complainants, providing useful qualitative feedback as well as data which we will use to improve complaint handling.
- 5.8 Customer services advisers have received training on 'right first time' call handling and customer care. This training has focused on improving accuracy of repairs diagnosis and effectively dealing with customer objections. All emergency and urgent jobs raised are reviewed on a daily basis to ensure that technically we are delivering the right repair at the right time. A priority for the service going forward is to provide staff with the skills to engage with our customers in a positive and caring way, developing positive relationships to deliver what is right for our customers. To support this we will explore additional customer service training for the team and further develop our quality framework.
- 5.9 We have embarked on a phased approach to upskilling the team so that all customer service advisers will be multi-skilled to handle all enquiry types. Housing and Lessee teams have been trained to raise new repair requests. This will form part of a wider training programme to ensure that we make the best use of our available resources and improve the customer experience.

6. Ombudsman investigations

During 2017/18 six complaints were reviewed by the Housing Ombudsman Service and no maladministration was found. Recommendations were made for two cases and one service failure was found.

Nature of complaint	Outcome
Damp & repairs	Service failure - £1050 compensation & completion of works
Major works on-costs	Recommendation - £145 compensation
Water leak	Recommendation - Inspection by an independent contractor, completion of works and 6 month follow-up inspection

Table 3. Ombudsman investigations 2017/18

For the period April-July, four Ombudsman investigations have completed with no maladministration found and two recommendations.

Nature of complaint	Outcome
Antisocial behaviour	Recommendation - increase compensation offered and review record keeping
Major works	Recommendation – pay compensation and adjust door closer to reduce noise.

Table 4. Ombudsman investigations April-July 2018

7 Members Enquiries

- 7.1 During 2017/18, many residents contacted their local ward councillor about CWH housing services. In response a team has been established with responsibility for investigating and responding to members enquires, with a dedicated e-mail address.
- 7.2 For the period April-July 2018 a total of 490 members and MPs enquires were received, of which 334 were received in April and May in the run-up to the local elections. 76% of those enquiries were responded to within five working days.
- 7.3 As with complaints, the majority of enquiries relate to repairs (40%) and customer care (32%)
- 7.4 Over recent weeks performance has improved to 83% of enquiries in target and the average time to respond is 2 working days.

8 Contract management review

8.1 Contract Management Programme

WCC Contract Management is currently devolved across Directorates with no standardised approach and varying degrees of ownership. The role and responsibilities of a Contract Manager are not well understood and management information regarding a contracts performance is poor. A Contract Management Framework exists however there is limited awareness and it is too generic in its current form. A proposed approach to improve Contract Management and provide increased assurance for the Councils contracts, was approved late September 2017 by the WCC Executive Leadership Team. The scope of the programme covers all contracts with a total value of £25,000 and includes all Adult Social Care, Children's Services, Public Health and ICT contracts as well as Westminster contracts let by City West Homes. The Programme is focussed on standardisation based on best practice. It aims to build on the tools and processes already in place to improve Contract Management across the Organisation through:

- The introduction of a more commercial and risk based approach
- Driving the right supplier relationships and empowering contract managers
- Improving the type and quality of data we hold
- Addressing audit recommendations
- Cost efficiencies

During the latter part of 17/18 the WCC programme focused on planning & readiness, engagement with key stakeholders, project development and mobilisation to support the programme launch. A WCC Programme management Office has been set up and there is a clear Governance structure in place with the Executive Director of Corporate Services as Executive Sponsor. The Programme Management Office will collect updates

from all project leads, track completion of project activities and report status to the Advisory Board. Each project lead will have subject matter expert support or additional sub-teams as required.

8.2 CityWest Homes (CWH) is working closely with WCC Procurement to support the implementation of the Contract Management Process and to help drive best practice and have committed to the following, in line with the new agreed approach:

All contracts with a total value over £25,000 will be entered on capitalEsourcing. The category manager at Westminster will create the contract record in capitalEsourcing, complete the fields, upload a soft copy of the contract and 'Activate' the record. It is then the responsibility of the contract manager at CWH to do the following:

- Every quarter the contract performance needs to be rated in capitalEsourcing.
- Every quarter ensure the information in the contract record is correct especially the Contract Value, Contract Manager/Administrator and expiry date. (Contract Manager – the person who manages the contract / Contract Administrator – the person who maintains the contract record in capitalEsourcing and is usually the same person as the Contract Manager)
- At the beginning of each financial year update the field 'Current Financial Year's Annual Contract Value'
- When/if the contract is extended the 'Current Expiry Date' and 'Contract Value' fields are updated.

Please note CWH uses capitalEsourcing for Westminster contracts only.

8.3 CWH Contract Managers will be attending the Mandatory training for Contract Managers (provided by WCC Procurement) at sessions to be held in September and October.

8.4 In addition to the above, at CWH the reporting process is supported by monthly core group meetings with contractors.

8.5 **Contracts let in the Council's name and managed by CWH**

Table 5 lists all contracts managed by CWH with a value over of over £1.5m p.a.

Contract Performance - Contracts over £1.5m				
Supplier Name	Contract Title	Contract Start date	Contract End Date	Contract Value
Morgan Sindall Property Services	Lot 1 – Responsive Repairs and Voids	01/07/2017*	30/06/2027	£129,247,350
GEM Environmental Building Services Ltd	Lot 2 - Mechanical	30/06/2017	30/06/2027	£19,501,330

Oakray Ltd	LOT 3 - Electrical Services	30/06/2017	30/06/2027	£33,001,370
Precision Lift Services Ltd	LOT 4 - Lifts Services	30/06/2017	30/06/2027	£24,223,620
Morgan Sindall Property Services	Lot 5 - Domestic Heating	30/06/2017	30/06/2027	£21,993,570
United Living	Lot 1 Major Works (South)	22/11/2017	30/11/2027	£100,000,000
AXIS EUROPE	Lot 2 Major Works (North)	22/11/2017	30/11/2027	£100,000,000

Table 5 Contracts managed by CWH for the council valued at more than £1.5M per annum

8.5 2017/18 Value Add

One of the benefits of the 10 year contracts for major works and repairs has been an increase in the amount of Social Value leveraged. In the first year of the contracts the following benefits have been provided:

- 15 apprenticeships
- 10 pre-employment places
- 6 partnerships with Westminster schools
- 1 collaborative partnership with a SEN school
- Support for digital inclusion training for residents
- >25 community volunteering days
- Establishment of a social value board

In addition a collaborative training programme is planned, to be delivered from a community hall to enable Westminster residents to gain construction qualifications.

8.6 Procurement forward plan

CWH is working with the Council to procure the following services over 2018/19:

- Estate cleaning (scheduled to start 1/2/2019)
- Grounds maintenance (scheduled to start 1/2/2019)
- Asbestos testing services (scheduled to start 30/10/18)
- Asbestos removal services (scheduled to start 23/10/18)
- Disability aids & adaptations (scheduled to start 17/8/19)

9 Risk

9.1 Risk Management

- 9.1.1 Risks are identified and considered at directorate level within CWH, using a risk matrix which considers likelihood and potential impact and is used consistently for risk management across all teams. General controls and specific mitigations are applied to each risk and a revised 'residual' risk score calculated. Risk registers are reviewed by directorates on a monthly basis and reported to the Head of Governance who maps the residual risk scores across the business. Risk maps are reported and reviewed monthly by CWH executive team and on a quarterly basis by the Audit Committee and CWH Board.
- 9.1.2 The Audit Committee has responsibility for monitoring the overall risk management framework of the company, in particular reviewing the effectiveness of the risk management and internal control framework through quarterly reports on key risks, controls/mitigation and actions.

9.2 Top emerging and current risks

9.2.1 Fire Risk Management in Council residential buildings

Impacts and consequences

Death or injury as a result of fire, loss of property, or incidents of enforcement action.

Mitigation and progress

- Strategy and budget approved. Project board in place to monitor delivery of the fire safety programme chaired by Director of Asset Strategy & Development. Appointment of fire programme manager role to monitor and drive delivery and two fire surveyors as a dedicated resource for repairs and maintenance works.
- Significant engagement residents including a bespoke communications plan for residents living in blocks requiring specific fire safety works.
- Cladding removed from Warwick & Brindley towers at Little Venice and replacement cladding plans progressing.
- Façade replacement feasibility studies at Torridon House are complete and a project execution plan is in development. Consultation has taken place with residents, and leaseholders will not be liable for any cost of work.
- At Glastonbury House plans are being finalised to replace the rear riser cladding. The cladding work will be completed within the year 2018 and the building will also be retrofitted with sprinklers.
- Continued ongoing review of fire safety management:

- A fire door inspection programme of all common area fire doors including 10% sample of resident flat doors throughout 261 buildings, over six storeys with enclosed communal parts.
- Upskilled in-house assessors with Fire Door Inspector certification, to complete door surveys in conjunction with FRAs moving forward.
- Commitment to providing all residents with a fire safety action plan, summarising the key risks that have been identified and actions arising, following completion of their buildings FRA.
- Escalation of planned works to survey over 300 street level properties, installing where required emergency lighting and smoke detectors in communal areas. This is due for completion by the end of the financial year 2018/19.

9.2.2 Impact of Universal Credit roll-out on rent payment

The second phase of rollout of Universal Credit commenced in June 2018. 161 of the Council's tenants are UC recipients (as at the end of July 2018), slightly higher than originally anticipated. The final managed migration phase during which tenants claiming any of the 6 legacy benefits are transferred to UC is due to take place by 2023 in Westminster.

Impacts and consequences

If residents who make a claim for UC do not pay the housing element to the Council as landlord, income to the HRA will drop, arrears will increase and affected tenants will struggle to sustain their tenancies. As the number of UC claimants increases, if rent payment are not made, pressure will be put on income management resources within CWH to support tenants on UC, to manage their rent payments, leading to an increase in rent arrears and need for enforcement action.

Mitigation and progress

- Streamlining of income management processes to increase capacity of the income recovery team
- Engagement with DWP to share information and maximise benefit from the landlord's portal
- Procurement of tools to automate contact when payment is missed to chase unpaid rent quickly.

9.2.3 Loss of major IT systems due to either systems failure or cyber-attacks

A temporary or permanent interruption of systems and/or loss of data, harming customers and services.

Impacts and consequences

This could lead to inability to deliver core systems, theft or corruption of data, which could result in significant operational, financial and reputational damage, resulting in fines and significant recovery costs.

Mitigation and progress

- Implementation undertaken of enterprise grade security tools for firewalls, web filtering, anti virus backups and patching.
- We are working towards Cyber Essentials certification, including investment in end-user training, maintaining software levels, data recovery capabilities, backup integrity and annual penetration testing.

9.2.4 Accidental or malicious loss of data

Data breaches which result in harm to one or many CityWest customers.

Impacts and consequences

Significant reputational damage and fines from the Information Commissioner's Office (ICO).

Mitigation and progress

- All accounts secured and devices provided with security software.
- Plans for compliance with the GDPR in place, with regular engagement in place for every department, with access and content reviews.
- Progress reviewed through GDPR project board chaired by Exec Director for Strategy & Planning .

9.2.5 Unpredictable call volumes in contact centre

Impacts and consequences

Irregular peaks and troughs in call volumes may lead to over/under resourcing leading to ineffective use of resources and poor service to residents

Mitigation and progress

- Monitoring and assessment of historic and current customer contact volumes to the customer services centre and call duration trends to forecast workload for incoming calls, together with other variables such as desired service level

- Contingency budget set aside for additional staffing in the event of unprecedented demand

7.2.6 Recruitment and retention of skilled/experienced staff

Difficulty in recruiting and retaining specialised staff due to high market demand for key skills.

Impacts and consequences

Non-alignment of workforce to strategic and operational needs in terms of skills and experience, including local knowledge and corporate memory. High turnover rates, increasing expenditure on recruitment, poor quality service delivery.

Mitigation and progress

- Improvements to on-boarding new staff, including and increased communication with, and support for during the early stages of employment
- Monthly 'pulse' survey to understand staff morale and provide managers with an insight to be able to manage sources of dissatisfaction
- Review of pay and conditions for specific service areas
- Ongoing documentation of processes and procedures

10 Financial Standing

10.1 The purpose of this section is to:

- clarify how CWH accounts for any surplus or loss that it makes in a financial year
- provide information on CWH' financial position

10.2 Management Agreement – surplus or loss

10.2.1 The treatment of any surplus or loss made by CWH is stipulated in the Management Agreement para 12. The extract is below:

12. Surpluses and reserves

12.1 CWH shall be entitled to retain or invest any available surpluses or reserves arising from efficiency savings as agreed in the Council's absolute discretion as a result of CWH's trading activities.

12.2 CWH shall retain or invest fifty percent of such surpluses and reserves referred to in paragraph 12.1 above in ways or on initiatives or projects agreed annually with the

Council and shall be free to exercise its discretion as to the manner in which it retains or invests the other fifty percent.

12.3 The CWH Board of Directors should agree annually and maintain at all times a prudent minimum reserve level.

12.4 Any other surpluses not arising under the circumstances described in paragraph 12.1 above shall either be used for the purposes described in paragraph 12.2 or returned to the Council forthwith

10.3 Financial Information

10.3.1 A set of documents are provided as appendices to this report which provide an overview of CWH financial position at the end of the financial year 2017/17. Those documents are as follows:

Appendix 2. CWH Annual Financial Statements y/e 31 March 2018

Appendix 3. CityWest Homes Services (CWHS) Annual Financial Statements y/e 31 March 2018. Please note CWHS is a subsidiary of CWH.

Appendix 4. A signed Letter of Representation from the Council