

## **Report of the CityWest Homes Task Group**

### **Introduction**

On 20<sup>th</sup> June 2018, the Housing, Finance and Customer Services Policy and Scrutiny Committee established a task group to review CityWest Homes, Westminster City Council's Arm's Length Management Organisation. The review focused on:

- City West Homes' strategic alignment with the Council's priorities
- Customer service
- Major works and leaseholder issues

The task group acknowledged different views around the future of CityWest Homes and focused on recommendations that would help improve the service however it was delivered.

The task group was made aware of a number of structural issues and would expect the cabinet member to consider all of those issues and decide the appropriate way in which the service should be delivered to enable these recommendations to be implemented.

The review took place over four meetings that included contributions from Westminster City Council officers, CityWest Homes officers, residents and an expert witness.

This paper presents the task group's recommendations.

### **Strategic Priorities**

The task group heard from Campbell Tickell, which has been commissioned by Westminster City Council to undertake a high-level review of CityWest Homes. One of the key issues that Campbell Tickell had identified was the organisational culture of CityWest Homes where there was a sense of 'us and them' between CityWest Homes and the Council and residents. Campbell Tickell characterized this as a lack of public service ethos. Residents also raised with the task group a feeling that CityWest Homes had distanced itself from residents.

Campbell Tickell also identified key strategic issues, specifically that the CityWest Homes board had failed to recognise weak performance and the risk associated with swift organisational change and the council's clienting arrangements had been too light touch and without appropriate arrangements in place for effective dialogue at different organizational levels.

### **Recommendations**

1. Change the culture at all levels of CityWest Homes. If CityWest Homes is to succeed then it needs to be a more resident friendly organisation committed to clearer and fairer communication with all residents.
2. Ensure that all CWH employees understand and accept ownership of issues in all resident engagements.
3. Change the approach to answering calls and emails from residents and councillors to ensure this is done in a timely manner and that ownership is accepted by the recipient of the contact.
4. Provide clear points of contact for councillors that is not just the Chief Executive or managing Director or their office.
5. Ensure data on long-term plans is routinely shared with councillors.

6. Adopt an approach of reviewing all resident communications with councillors prior to its issue.
7. Review clienting relationship between WCC and CWH.
8. Greater emphasis and interest should be shown in 'Block inspections' by CWH. Residents should be allowed to access all areas including stairwells and roofs. (subject to normal health and safety concerns).
9. Reform CWH board. This needs to consider the purpose of the board and the skill mix that is required to meet that purpose.
10. Review CityWest Homes staff organisational structure to make clearer who is responsible for repairs and major works.
11. The relevant Policy and Scrutiny Committee should review CityWest Homes at least annually.

### **Customer Services**

In June 2017, CityWest Homes launched a new customer center. Following the launch, call-waiting times were longer than acceptable as the volume of calls received exceeded expectations. Call handling performance remained poor until January 2018. In August 2017, a new contract for providing general building repairs services commenced and immediately experienced problems, performance dropped below target levels during the mobilisation phase. This had a knock on effect of generating more calls for the contact centre.

As well as these performance issues, the task group heard of a number of concerns from residents. There was a general complaint amongst residents that CityWest Homes had lost a local presence following the closure of estate offices and that services that had been intended to replace the face-to-face interaction (e.g. local surgeries) had not been successfully implemented.

12. Provide estate management contacts for residents/councillors. These contacts should be officers that are responsible for looking after a block or an estate and who are empowered to act on concerns that are raised.
13. Remove the current call centre interactive voice response (IVR) menu. Changes should be made immediately even if further improvements are then planned in the near future as part of wider improvement work.
14. The distinction of lessee vs tenant should not be the first IVR question. This enables block or estate queries to be raised and understood. The current IVR and call centre approach is too prescriptive.
15. Ensure all locations where residents have contact with CityWest Homes staff have areas private areas for where personal information can be discussed.
16. Introduce an improved CRM system for all customer contact points, and ensure it is fully integrated with repair contractors to allow for better interaction and sharing of data between call center and repairs contractor.
17. Monitor as a KPI repeat calls and put in place an action plan to avoid repeat calls.
18. Continue to monitor call wait time, longest wait time and length of calls and report exceptions to CWH management and to the CWH board.
19. Review the arrangements for surgeries, including location and current usage, to ensure they meet the needs of residents.
20. Establish, outside of the complaints procedure, clear communications channels for residents to discuss works not being carried out or other 'questions'.

21. Undertake a data mining/interrogation exercise and analysis of IVR and calls logged to produce intelligent data on repeat calls/missed appointments with a view to identifying causes and reducing incidents.
22. Ensure all repairs are inspected upon completion to rebuild residents' confidence that repairs are done correctly.
23. Produce clear information for all residents on what is allowed with regards to short term letting (e.g. through Airbnb)
24. Develop a clear protocol for dealing with tenants/lessees who will not allow access to their properties. Engage in legal proceedings at an earlier stage if emergency access is needed to enter a property to stop damage to other properties.
25. Review engagement activity and produce a strategy that ensures residents can be empowered to scrutinise CityWest Homes' activity and performance.
26. Improve the feedback system for residents on the progress of issues they have raised (e.g. repairs or major works). This would include a formal escalation procedure within CWH to track such issues and the use of technology to provide updates.
27. Improve the way that customer satisfaction information is collected. Use different milestones during projects and by using a greater variety of methods aimed at increasing the amount of feedback received. Improving data collection should be a KPI.

### **Major Works**

There are specific challenges surrounding delivering major works in Westminster, however the CityWest Homes major works programme is reasonably well funded. In the past, there has been frustration from all parties on the way major works have been delivered. There has been a recent change to the process of delivering of major works to address concerns, such as the appointment of two term partner contractors.

CityWest Homes has a target to reduce management fees of major works to 12% (currently 16%).

There are a number of groups and processes involved in scrutinizing the costs involved in a major works project including a project committee, project board, liaising with the Council, getting the opinion of building surveyors and quantity surveyors and using contractors to get quotes from suppliers. One area for improvement that the task group identified was communicating to residents the scrutiny that costs had gone through, and empowering them to scrutinise costs themselves. The task group also discussed the importance of early communication with residents so that they could understand the challenges of a major works project and the effect that those challenges had on costs.

The task group discussed sinking funds (a sinking fund is a long-term savings account that homeowners contribute to every month through service charges). Legislation does not prohibit the establishment of sinking funds. There are two types of sinking fund, those linked to the property and those linked to the lease. The primary difference is that when a lease expires, the balance of a leaseholder-linked sinking fund must be repaid to the leaseholder. This applies when the lease ends, not when it changes hands. Currently Westminster (WCC) leases do not allow the establishment of a property linked sinking fund. WCC could establish sinking funds, but they would have to be leaseholder linked.

To establish a property-linked sinking fund, WCC would need to vary the leasehold agreements, which would require a ballot of leaseholders and an application to the first tier tribunal. Like any service charge, a sinking fund is subject to a test of reasonableness.

28. Commence consultation with lessees in advance of issuing s20 notices on all major works projects.
29. Investigate the possibility of appointing a quantity surveyor who would act for residents to assist them with evaluating major works schemes.
30. Investigate the possibility of establishing a leaseholder-linked sinking funds and an improved flexible payment system with a view to introducing one or both of them.
31. Produce a coordinated plan dealing with leaks that identifies necessary repairs and major works that are needed to address the issue.
32. Set a KPI for CWH that prioritises bringing management and professional fees in line with industry to give value for money.
33. Review the information provided to leaseholders to ensure that there is complete transparency on how costs for major works are calculated.
34. Establish an appropriate review mechanism within CWH to ensure that major works projects provide good value for money for residents and are appropriate based on the condition surveys carried out.
35. Produce a plan for reducing costs on major works projects.
36. Review why certain blocks or estates are not currently planned for major works to ensure that all buildings are maintained in a timely fashion.