

**MEETING OF THE BOARD**  
**25 July 2019 18:00 – 20:00**  
 Harford Centre, First Floor, 115 Harford Street, E1 4FG

**AGENDA**

		<u>Type</u>	<u>Lead</u>
<b><i>Open Session</i></b>			
<b><i>Introductory items</i></b>			
1.	Apologies for Absence	For Information	Chair
2.	Declarations of Interest	For Information	Chair
3.	Questions from Members of the Public	For Discussion	Chair
4.	Open Minutes of the Board meeting on 8 May 2019	For Decision	Chair
<b><i>Items for decision and discussion</i></b>			
5.	Communications Standards Scrutiny Review	For Decision	Gulam Hussain
6.	Maltings & Brewster Update	For Discussion	Will Manning
7.	CE Report	For Discussion	Susmita Sen
<b><i>Closed Session</i></b>			
<b><i>Items for Decision and Information</i></b>			
8.	Confidential Minutes of the Board meeting on 8 May 2019	For Decision	Chair
9.	Finance Year-End report	For Information	Neil Isaac
10.	Compliance	For Discussion	Will Manning
11.	Angela Court	For Discussion	Neil Isaac

(Considered  
by FAC on 16  
July)

12. Forward Plan For Decision Chair

*Items for information and limited discussion*

13. Any Other Business For Discussion Chair

**Date of next meeting**

Tuesday 17 September 2019, 6 – 8pm

## **TOWER HAMLETS HOMES**

### **NOTE BY CHIEF EXECUTIVE**

#### **DECLARATIONS OF INTEREST**

Where Members of the Board have an interest in any business of the Board, then she/he must disclose this interest.

Members must disclose the existence and the nature of the interest at the start of the meeting and certainly no later than the commencement of the item when the interest becomes apparent.

#### **Personal Interests**

A Board Member must regard themselves as having a personal interest in any matter if the matter relates to an interest in respect of which notification must be given, or if a decision upon the matter might reasonably be regarded as affecting, to a greater extent than other tenants or inhabitants of the Tower Hamlets Homes area, the wellbeing or financial position of themselves, a relative or a friend, OR

- a) Any employment or business carried out by such persons;
- b) Any person who employs or appointed such persons, any firm in which they are a partner, or any company of which they are a director;
- c) Any corporate body in which such persons have a beneficial interest in a class of securities exceeding a nominal value of more than 2% of the issued share capital in a company;
- d) Anybody listed in sub-paragraphs (a) to (e) of paragraph 14 of the Resource Pack in which such persons hold a position of general control or management.

#### **Prejudicial Interests**

1. Subject to the provisions of paragraph 2 below, a Board member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a tenant of Tower Hamlets Council as covered by the Management Agreement or a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Board member's judgement of the public interest.
2. A Board member may regard themselves as not having a prejudicial interest in a matter if that matter relates to –

- a) Another relevant organisation of which they are a member;
- b) Another public organisation in which they hold a position of general control or management;
- c) A body to which they have been appointed or nominated by Tower Hamlets Homes as its representative;
- d) Where a Board member holds a tenancy or lease with a relevant organisation, provided that they do not have arrears of rent with that relevant organisation of more than two months, and provided that those functions do not relate particularly to the Board member's tenancy or lease.

### **Participation in Relation to the Disclosure of Interests**

A Board member with a prejudicial interest in any matter must –

- a) Withdraw from the room where a meeting is being held whenever it becomes apparent the matter is being considered at that meeting, unless she/he has obtained a dispensation from the Board's Chairman or Company Secretary; and
- b) Not seek improperly to influence a decision about that matter.

Should you require any further information, please contact Paul Davey, Director of Business Transformation, telephone: 020 7364 7328, paul.davey@thh.org.uk

Open minutes of Tower Hamlets Homes Board Meeting  
 Wednesday 8 May 2019 **6.10pm to 7:15pm**  
 Room Spices, Harford Street, E1 4FG

**Board Members Present:**

- Ann Lucas (AL) - Chair, Independent Board Member
- Claire Tuffin (CT) - Resident Board Member
- Safia Jama (SJam) - Independent Board Member
- Andrew Bond (AB) - Independent Board Member
- John Pierce (JP) - Cllr Board Member
- Asma Islam (AI) - Cllr Board Member
- Sabina Akhtar (SA) - Cllr Board Member
- Tarik Khan (TK) - Cllr Board Member

**Co – Optees Present:**

- Iain Lawson (IL) - Co-Optee to Finance & Audit Committee
- Mahbub Anam (MA) - Co-Optee to Finance & Audit Committee

**Officers Present:**

- Susmita Sen (SS) - Chief Executive
- Paul Davey (PD) - Director of Business Transformation
- Neil Isaac (NI) - Interim Director of Finance
- Will Manning (WM) - Director of Asset Management
- Nick Spenceley (NS) - Head of Environmental Services
- Sameena Raouf (SR) - Governance Officer

**In Attendance:**

- Mark Baigent (MB) - LBTH Interim Divisional Director of Strategy, Regeneration & Sustainability
- Stephen Phillpott (SPh) - Head of People's Services
- Greg Torrance (GT) - Graduate Trainee (Observing)

**Apologies:**

- Helen Charles (HC) - Resident Board Member
- Pam Haluwa - Co-Optee to Gov.& Remuneration Committee
- Caroline Compton-James (CCJ) - Independent Board Member
- Ann Otesanya (AO) - Director of Neighbourhoods

<b>1</b>	<b>Welcome</b>	
1.1	AL welcomed all to the meeting. Apologies for absence were noted for the above.	
<b>2</b>	<b>Declaration of Interest</b>	
	CT, IL, HC and PH declared their interest as leaseholders of Tower Hamlets Homes.	
<b>3.</b>	<b>Question from Members of the Public</b>	
	None received	
<b>4.</b>	<b>Open Minutes of the meeting of the Board on 26 February 2019</b>	
4.1	<i>The THH Board <b>AGREED</b> the minutes of the meeting of the Board on 26 February 2019.</i>	
<b>5.</b>	<b>People Strategy</b>	

5.1	Sph presented this item to the Board. The current People Strategy was originally approved by Board in February 2016 and was due to cover a period of three years. This has now come to an end, and so this paper reviews our key achievements and outlines priorities for the period ahead to 2021. It also outlined our approach to formulating our next People Strategy, assuming that the Council's Cabinet determines continuation of the ALMO.	
5.2	In response to MB's query on what THH Buzz is, SPh clarified that this is an employee recognition and benefit portal which only Tower Hamlets staff have access to. This is in response to staff communicating that they would like good staff recognition accommodated by a gift card.  E-Cards are also available so day to day colleagues can be recognised and thanked. Commercial discounts are available and technology loans (interest free) benefits.	
5.3	In response to JP's query on industrial relations, SPh clarified that there are examples of the work we have done where there are examples of industrial relations. We have had disputes and we have approached these in an open and honest way. It was noted that there have been no strike actions.  SS added that a few years ago there were picketts after a restructure and that PD has worked hard with unions. We have a relatively constructive relationship with all three unions.	
5.4	It was noted, union meetings are held every six weeks with PD and Sph. A relationship of trust has been built.	
5.5	CT commented that she is pleased to see grievances have reduced and queried how Board have reassurance that it is because managers have not turned a blind eye. SS responded that if behaviours were inappropriate, it would be raised with the Executive Management Team.	
5.6	<i>The THH Board <b>NOTED</b> the People Strategy Progress Update report.</i>	
	<i>SPh left the meeting at 6.50pm.</i>	
<b>6.</b>	<b>Responsive Repairs Re-Procurement</b>	
6.1	The current responsive repairs contract delivered by Mears runs until 31 <sup>st</sup> March 2021 and this paper is presented to Board to outline the approach to be taken in re-procuring the contract.	
6.2	It was noted that there is a two year procurement process and that we will need to engage the Council in the process and that they will also need to agree our process.	
6.3	It was noted Board Members will also be invited to the Asset Management Taskforce. There is a need to strengthen what is included and excluded in properties and leaseholders would like as much itemised billing as possible.	
6.4	It was noted the gas servicing programme needs to operate separately and that much of what we have is cost driven. It was noted we need to come up with solutions that challenge these things and that we are unable to use references as part of the formal tender evaluations.	

6.5	AL suggested site visits and amending their scoring evaluation.	
6.6	It was noted, much of these issues will be discussed at the Asset Management Taskforce. This meeting is open to all Board Members and papers will be uploaded onto Diligent.	
6.7	<b>ACTION:</b> Asset Management Taskforce meetings to be scheduled into diaries.	SR/WM
6.8	In response to AB's suggestion of taking things in house rather than external, WM clarified that there is an opportunity for the drainage team to integrate however, there is a capacity issue as this would require a lot of investment upfront.	
6.9	<i>The THH Board <b>NOTED</b> the Repairs service Re-procurement – outline of approach report.</i>	
<b>7.</b>	<b>Performance Year End 2018/19</b>	
7.1	PD presented this item to the Committee. The report provided Board Members with a performance outturn report for 2018-19.	
7.2	It was noted that there has been good performance all year around, with reference to appendix 1 of the report it was noted performance in the repairs area is red where performance has not been met.	
7.3	AL commented that for gas safety checks, three properties were missed because although details were sent to Mears, they did not add them to their schedule. However, this was picked up and resolved immediately.	
7.4	WM clarified that two of his areas are now performing better on green which means the target has been met or exceeded. Mears have also now got an improvement plan in place.	
7.5	With reference to point 4.8 of the report on 'Fire Risk Reduction: 9 high-rise blocks', HC queried whether there will be a replacement of the front entrance doors of the six Cranbrook blocks. WM responded that we have not got a contractor in place.	
7.6	SS added that enforcement has been paused as we replace the product and that they are visiting Nottingham Homes to find out what kind of doors they are using.	
7.7	In response to IL's query on what the costs will be, WM advised that we are not in a position to advise.	
7.8	<i>The THH Board <b>NOTED</b> the performance of Tower Hamlets Homes in 2018-19.</i>	
<b>8.</b>	<b>Customer Access &amp; Experience Programme – Progress &amp; Outcomes</b>	
8.1	PD presented this item to the Board. The report provided the Board with a summary of the progress and outcomes achieved through the Customer access and Experience Programme.	
8.2	It was noted part of the strategy is around online portal, and currently 40-45% of users log on. It was noted that this has impacted and reduced calls.	

8.3	In regards to the Communal Repairs project, it was noted there are a number of indicators within the report. It was noted the percentage of communal jobs done right first time was up by 63%.	
8.4	In regards to parking, it was noted much has been done to streamline the application process.	
8.5	In response to AL's query on whether there are areas of concern, HA responded that mobile working for inspectors and Neighbourhood Housing Officers and the hope that this will be ready by next week.	
8.6	HA added that the Community Partnership team offer training on IT, however the take up on this was very low. Residents will be working with Account3 and the Limehouse project.	
8.7	AI queried how to target potential trainees and reach the target number we would like to ensure a better outcome next time.	
8.8	In response to AI's query on how we ensure leasehold sublet priorities are health and safety compliant, HA responded that we require copies of gas safety checks.	
8.9	AL added that the Mayors letter to residents mentions our involvement in enforcement as every time a resident moves out, they dump bulk rubbish.	
8.10	CT added that residents who commit crimes may also be vulnerable and that safeguarding is our responsibility.	
8.11	<i>The THH Board <b>NOTED</b> the Customer Access and Experience Programme – Progress and Outcomes report.</i>	
8.	<b>ASB Outturn Report 1018/19</b>	
8.1	NI presented this item to the Board. The report provided an update on the review of the THH anti-social Behaviour team.	
8.2	It was noted referrals are being made for early morning rough sleepers of how they can be assisted and supported.	
8.3	It was noted the ASB team have been short listed for the LCG award. It was noted we are doing intelligence led walkabouts and in some places this has reduced reports of Anti-social behaviour.	
8.4	With reference to section eight of the report on tenancy and legal action carried out in THH, it was noted there may have been an increase in ASB due to more reporting and that perhaps due to re-categorising the interventions we have taken have had impact.	
8.5	With reference to point 12 of the report on options for future working arrangements, it was noted our preferred option would be option 1 – seeking to extend funding for a reduced Police team who will be used to maintain the improvements that have been made.	
8.6	AI commented that residents approach her when they are faced with eviction and that families are starting to take things more seriously. It was noted the majority of the figures are of the warning letters and less on actions taken. It was noted, mediation is to protect families and reduce evictions.	
8.7	NS added that 9% of those ASB warning letters have come to our attention again and this is when we could refer to Streets of Growth and carry out home visits.	
8.8	It was noted we have employed two caretakers from Streets of Growth.	
8.9	In response to SA's query on whether we can be harsher with enforcement, AL	

	responded that it is common knowledge that residents homes are at risk if they cause ASB.	
8.10	In response to JP's query on neighbour to neighbour disputes and whether there is a way forward to look at this going forward, NS responded that these situations are more complex and can take longer time to resolve. It was noted that this process should not require completing endless forms.	
8.11	<i>The THH Board <b>NOTED</b> the update on the review of the Anti-Social Behaviour service review.</i>	
<b>8.</b>	<b>Draft Outturn Report</b>	
8.1	NI presented this item to the Board. The report presented the THH pre audit draft outturn position for the various budgets managed by THH for the financial year 2018/19.	
8.2	AL commented that by reducing our void turnaround time, we have increased revenue of between £900k-£1m to the HRA and that this is a significant contributor.	
8.3	MB added that this point is made in the papers to the Mayors Advisory Board.	
8.4	SS added that there is a warden on the Ocean estate and that we had said we should be charged for the costs. Details of these will follow at the Finance and Audit Committee meeting.	
8.5	MB added that there is a bespoke page on the Council website that has the Altair report with a brief summary and a request for comments by 10 June 2019, this will mean the report cannot go to Cabinet in June, but July instead. It was noted letters to residents will be going out from the Council on Friday 10 May.	
8.6	<i>The THH Board <b>NOTED</b> the draft outturn reports 2018/19.</i>	

**Actions Log: Open minutes of THH board  
8 May 2019 6.10pm – 7.15pm**

Item	Action	Who	Due	Status
6.7	Asset Management Taskforce meetings to be scheduled into diaries.	SR/WM		Completed

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**Chair**

\_\_\_\_\_  
**Date**

## Decisions from Board meetings log

Item Number	Date	Items discussed	Decision
1	26.02.19	LBTH Review update	A decision on the future of the ALMO will be provided by April and the findings to be presented to cabinet in May.
2	26.02.19	Satisfactory Survey Procurement	Authority was delegated to the Chair of the Board and the CE to award the contract in March 2019
3	26.02.19	CE Report	Board approved the Outline Draft 2019/20 Business plan and agreed the inclusion of place-shaping as a priority
4	26.02.19	Business Plan	Board delegated authority for future amendments, including finalisation of the service improvement plan and BCI targets to the Chair and Chief Executive in negotiaton with the client
5	26.02.19	Accommodation Update	Board agree the City Reach lease and noted the Governance & Remuneration Committee's approval of mini lease at Boatman's House
6	26.02.19	THH Board Directors Appointments	Board approved Mahbub Anam as a resident THH Board Director

Item Number	Date	Items discussed	Decision
3	08.05.19	Financial Regulations	The THH Board APPROVED the Financial Regulations.
4	08.05.19	Ratification of 2019/20 Budget	The THH Board APPROVED the 2019/20 Management Fee budgets and NOTED that there will be an adjustment to the Management Fee in-year.
5	08.05.19	Business Planning 2020	The THH Board APPROVED the business planning methodology for 2020-2023 set out in the body of the report.

<b>Board of Directors</b> 25 <sup>h</sup> July 2019	
<b>Report authorised by:</b> Paul Davey, Director of Business Transformation  <b>Report Author:</b> Gulam Hussain, Scrutiny & Resident Feedback Manager	<b>Report type:</b>  Decision
<b>Scrutiny Review – Communication Standards</b>	

## 1. INTRODUCTION/SUMMARY

- 1.1 This report provides recommendations and an action plan arising from a scrutiny review on THH Communication standards.

## 2. RECOMMENDATIONS

The Board is recommended to:

- 2.1 Note the scrutiny review report (**Appendix One**) and agree its action plan (**Appendix Two**).

## 3. BACKGROUND

- 3.1 Tower Hamlets is ranked 16th most ethnically diverse local authority in England. More than two thirds of our residents belong to minority ethnic groups and 35% of residents in Tower Hamlets use a main language other than English. Although the majority are fluent in English, around one quarter said they could not speak English well or at all.
- 3.2 Tower Hamlets Homes (THH) provides housing management services to almost 22,000 properties on behalf of the Council serving residents reflecting the diversity of the borough. However, unlike other landlords, it has a higher proportion of residents from a Black or Minority Ethnic background with approximately 7% requiring a language other than English to access services. A greater percentage are aged 60 or above, and almost a fifth identify as having one or more disability. Approximately 68% are also believed to be in receipt of housing benefit or the housing element of Universal Credit.
- 3.3 In light of the growing local housing stock and the diverse range of residents we offer services to, it is increasingly important that our communication channels are appropriately tailored in order to reach out to all our residents.

This is particularly crucial as residents have varying proficiency in literacy and access to information.

3.4 This review sought to explore:

- What are the current standards which govern communication with residents?
- How THH monitors consistency in applying these standards across the organisation and measure their effectiveness and;
- What best practice is out there that can be incorporated to improve the standards of communication?

3.5 The review took place during February 2019 and was chaired by Residents' Panel member Chris Weavers. Sessions were attended by panel members Shaheda Najmeen, Daniele Lamarche, Gibran Afzal, Samira Johnson and Shahaveer Hussain.

THH officers included;

Ben Schofield	Head of Communications Tower Hamlets Homes (THH)
Patrice Redhead-Smith	Housing Services Manager Tower Hamlets Homes (THH)
Gulam Hussain	Scrutiny and Resident Feedback Manager Tower Hamlets Homes (THH)
Debbie Palmer	Complaints Manger Tower Hamlets Homes (THH)
Nojmul Hussain	Resident Feedback Officer Tower Hamlets Homes (THH)
Shamima Khatun	Policy and Research Officer Tower Hamlets Homes (THH)
Erin Lawrence	Graduate Trainee Tower Hamlets Homes (THH)

4.0 The report with recommendations is attached at Appendix One. Six recommendations have been made:

4.1 Recommendations

**Recommendation 1:**

Enhance the THH website by:

- a. Adopting a localised approach to content allowing users to access information based on their neighbourhoods
- b. Regularly publishing performance information across the 'super seven' performance indicators

- c. Forming a resident working group to influence the development of a new THH website

**Recommendation 2:**

Enhance THH's presence on social media by:

- a. Promoting more resident led initiatives/content
- b. Using more images and videos to promote messages
- c. Exploring the use of paid advertising on social media to increase the number of followers across social media platforms

**Recommendation 3:**

Increase the subscription to Open Door Extra by promoting it more prominently to residents

**Recommendation 4:**

Ensure there is consistency in style and use of Plain English in written communication to residents across the organisation.

**Recommendation 5:**

Improve access to services for speakers of other languages by:

- a. Exploring training and development opportunities for front line staff to learn key phrases in other languages used by residents of THH
- b. Include in-queue messages in different languages for residents placed on hold whilst awaiting a speaker of their language
- c. Working in partnership with local agencies to promote services and information through referrals and word of mouth

**Recommendation 6:**

Develop a consistent policy on the use of notice boards across THH Estates. As part of this process work with residents and staff to:

- a. Map the number and locations of noticeboards still available for use
- b. Agree the type of information to be communicated through noticeboards

4.2 Service areas affected by the review have been invited to shape and agree the scope of the recommendations and provide feedback on the report. Responses have been captured as part of an action plan (Appendix Two).

4.3 Should the Board agree the recommendations, the Residents' Panel members will be kept updated on the progress of the action plan through a formal update report after 12 months in order to ensure the recommendations and learning from the review is being implemented.

Communication Standards  
Scrutiny Review

## Appendix One

### Content

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Ensuring communication is accessible	P11 -13

### **Chair's foreword**

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Effective communication is key in enabling Tower Hamlets Homes to be the type of organisation our residents want it to be.

The organisation must be focused on meeting the diverse communication needs of all its tenants, leaseholders and other residents, not just because it is required by law but because the very success of Tower Hamlets Homes is dependent on providing a high standard of service that is continually improving.

All communication channels should be two-way, giving the community the opportunity to explain its own needs, which can then be incorporated into the organisation's work where possible.

Digital transformation in particular has changed how, where and when consumers engage with businesses and their expectations of customer service. Today a single tweet about poor customer service can go viral and have a long-term negative impact on an organisation's reputation and image.

33% of the UK population was born between 1980 and 2000 and of these 97% are members of a social network. Any organisation that doesn't use new and social media effectively is excluding a third of its audience from their preferred method of communicating.

However, in an increasingly digital age, those who are not engaged with the digital world are at risk of being left behind. Adults over the age of 65 years have consistently made up the largest proportion of the adult internet non-users, and over half of all adult internet non-users are over the age of 75. Additionally, just over half of all adults who have never been online live in social housing.

The clear message is, that for all the value of digital, all modes of communication, traditional and online, have a valuable role in keeping residents informed and involved.

This review seeks to inform the continuing work of Tower Hamlets Homes in managing and improving its communications, bringing the perspective of a diverse group of residents, with the engagement, support and advice of staff.

Over the course of the review the review group considered the wide range of methods already utilised by Tower Hamlets Homes and were encouraged by the clear commitment to further improve the quality and accessibility of all forms of communication used.

The Residents' Panel looks forward to continuing to engage in this work, not least as an important means of communication between residents and Tower Hamlets Homes ourselves.



**Chris Weavers**  
Resident and Leaseholder

## Summary of recommendations

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### **RECOMMENDATION 1:**

Enhance the THH website by:

- a. Adopting a localised approach to content allowing users to access information based on their neighbourhoods
- b. Regularly publishing performance information across the 'super seven' performance indicators
- c. Forming a resident working group to influence the development of a new THH website

### **RECOMMENDATION 2:**

Enhance THH's presence on social media by:

- a. Promoting more resident led initiatives/content
- b. Using more images and videos to promote messages
- c. Exploring the use of paid advertising on social media to increase the number of followers across social media platforms

### **RECOMMENDATION 3:**

Increase the subscription to Open Door Extra by promoting it more prominently to residents

### **RECOMMENDATION 4:**

Ensure there is consistency in style and use of Plain English in written communication to residents across the organisation.

### **RECOMMENDATION 5:**

Improve access to services for speakers of other languages by:

- a. Exploring training and development opportunities for front line staff to learn key phrases in other languages used by residents of THH
- b. Include in-queue messages in different languages for residents placed on hold whilst awaiting a speaker of their language
- c. Working in partnership with local agencies to promote services and information through referrals and word of mouth

### **RECOMMENDATION 6:**

Develop a consistent policy on the use of notice boards across THH Estates. As part of this process work with residents and staff to:

- a. Map the number and locations of noticeboards still available for use
- b. Agree the type of information to be communicated through noticeboards

## 1. Introduction

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- 1.1 In 2018, members of the Residents' Panel carried out two scrutiny reviews as part of its annual work programme. The reviews looked at the use of energy efficiency solutions in new housing developments and how THH manages health and safety during major works. Whilst both these reviews were distinctive, a common and overlapping theme which emerged during these reviews was around the need to improve how THH communicates with residents.
- 1.2 In light of their findings, the Residents' Panel recognised a need to carry out a review focusing on understanding how THH communicates with residents and the standards underpinning its approach. The review sought to understand:
- a. What are the current standards governing how THH communicates with residents?
  - b. How does THH monitor consistency in the application of these standards across the organisation and measure their effectiveness and;
  - c. What can be learnt from best practice to improve how THH communicates with residents?
- 1.3 The review took place on 5<sup>th</sup> and 28<sup>th</sup> February 2019 chaired by Chris Weavers and supported by Daniele Lamarche, Shaheda Najmeen, Gibran Afzal, Shahaveer Hussain and Samira Johnson. Officers in attendance included;

<b>Patrice Redhead-Smith</b>	<b>Customer Services Manager</b> Tower Hamlets Homes (THH)
<b>Ben Schofield</b>	<b>Head of Communications</b> Tower Hamlets Homes (THH)
<b>Gulam Hussain</b>	<b>Scrutiny and Resident Feedback Manager</b> Tower Hamlets Homes (THH)
<b>Nojmul Hussain</b>	<b>Resident Feedback Officer</b> Tower Hamlets Homes (THH)
<b>Debbie Palmer</b>	<b>Complaints &amp; Members Enquiries Manager</b> Tower Hamlets Homes (THH)
<b>Shamima Khatun</b>	<b>Policy and Research Officer</b> Tower Hamlets Homes (THH)
<b>Erin Lawrence</b>	<b>Graduate Trainee</b> Tower Hamlets Homes (THH)

## 2. National guidelines

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- 2.1 The Localism Act 2011 sets out the role of Homes England (previously Homes and Communities Agency, HCA) as the regulator for all registered providers in England. The Act outlines the approach to be used by the regulator in enforcing the consumer standards. These standards set out the expectations of providers across a range of areas including tenant involvement and empowerment, homes, tenancy and neighbourhoods and communities.
- 2.2 The Tenant Involvement and Empowerment standard, revised in 2017 requires all landlords to demonstrate an understanding of needs, provide choices on how services are delivered, and tailor information and communication in line with the diverse needs of their tenants.
- 2.3 At a broader level, registered providers are required to comply with communication standards set out by the government for public sector bodies. All public sector bodies are required to make their websites accessible by complying with level AA of the Web Content Accessibility Guidelines. These guidelines are designed to ensure websites and apps are accessible to everyone, including users with impairments to their vision, hearing, mobility and thinking/understanding.
- 2.4 In September 2018, the government introduced the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018 further strengthening the requirements on public sector bodies. This sets out new accessibility standards for websites and mobile apps as part of the broader Web Accessibility Initiative. The regulation embraces the four principles of the Web Accessibility Initiative which require websites to be perceivable, operable, understandable and robust.

### Principles of the Web Accessibility Initiative

Perceivable	Information and user interface components must be presented to users in ways they can perceive - it can't be invisible to all of their senses
Operable	Any person must be able to use interface components (such as buttons and forms) and navigation - these can't require interaction that a user can't perform
Understandable	Users must be able to understand any information presented, as well as being able to operate the interface (the content or operation cannot be beyond their understanding)
Robust	Content must be capable of being interpreted reliably by a wide variety of user agents, including assistive technologies such as screen readers and users should be able to access the content as technology changes over time

- 2.5 Recognising the huge growth in the use of smartphones and other handheld devices, the government has developed standards for digital engagement which serve as a best practice guide for the public sector as a whole.<sup>1</sup> The standards encourage websites to adopt a responsive design to ensure pages are accessible across

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<sup>1</sup> Making sure your service works well on mobile. GOV.UK service manual.

## Appendix One

different browsers and devices. They also encourage organisations to invest in Progressive Web Apps (PWAs) as an alternative to native apps. This avoids the need for users to install apps, allowing them to save their data allowance, is considerably cheaper and easier to develop and maintain, and allows organisations to better measure how it is used compared to native application.

### 3. Local context

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- 3.1 Tower Hamlets is ranked as the 16<sup>th</sup> most ethnically diverse local authority in England. More than two thirds of the population belong to minority ethnic groups with almost 35% using a main language other than English. Around one quarter do not speak English well or at all - the majority being women or older people from the Bangladeshi and Somali communities.
- 3.2 As an Arm's Length Management Organisation (ALMO), Tower Hamlets Homes (THH) provides housing management services to almost 22,000 properties on behalf of the Council serving residents reflecting the diversity of the borough. However, unlike other landlords, it has a higher proportion of resident's from a Black or Minority Ethnic background with approximately 7% requiring a language other than English to access services. A greater percentage are aged 60 or above, and almost a fifth identify as having one or more disability. Approximately 68% are also believed to be in receipt of housing benefit or the housing element of Universal Credit.
- 3.3 In order to serve the needs of its diverse residents, THH has adopted a range of methods for engaging with residents and disseminating information. These channels include;

Channel	Details
Resident magazines	22,000 copies distributed to all THH households once every quarter
E-Newsletter	Set up in 2017. Currently have 140 subscribers
Radio	Monthly radio slot on Betar Bangla (1503 AM) targeting Bangladeshi residents in the borough
Social media	4000 subscribers on Twitter and an active presence on Facebook
Website	Planned for review as part of the Customer Access and Experience Programme
Press	Encourage local stories to receive coverage on external press
Direct emails	Direct queries through <a href="mailto:contactus@thh.org.uk">contactus@thh.org.uk</a>
Phone	Access to a range of services through 0207 364 5015

#### **4. Strengthening the digital presence**

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- 4.1 In 2017, THH established the Customer Access and Experience Programme with the objective of identifying and delivering improvements to customer satisfaction and access to services. As part of its remit, the programme also included the objective of exploring how THH could maximise the benefits of channel shift to increase choice and flexibility for residents.
- 4.2 Since 2016, THH has offered residents access to an enhanced online self-service platform allowing users to access a variety of services ranging from booking repairs to being able to view rent and service charge statements. As well as offering greater flexibility for end users, the new platform also represent better value for money with the average cost of an online transaction being 20 times cheaper compared to telephone (£2.83 per telephone transaction and 15 pence for an online transaction).
- 4.3 Since the introduction of the service more than 4,000 users have registered for services through the platform. Despite the significant progress made to increase the number of registrations on the platform, results from a survey commissioned THH indicated only 1.9% of customers used the website as the method for their last contact and almost three-quarters of customers used the telephone (73.4%).
- 4.4 Officers recognised that the quality and functionality was in need of improvement. The existing website lacks visual appeal and is in need of a substantive review of content in order to improve the customer experience. In 2018, THH in partnership with the Council carried out an accessibility review of its home page using specialist software. The review identified nine errors preventing it from complying with the standard embedded in the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018. In addition, a further 435 potential problems were identified, each of which would need to be investigated.
- 4.5 The Panel noted that THH was in the process of initiating a project to refresh its website. Officers recognised that in order increase the number of customers using online services, the new website would need to be:
- Visually appealing, user friendly and easy to navigate
  - Easy to update with information being up-to-date, relevant and accurate
  - Responsive and optimised for use on mobile devices
  - Integrate seamlessly with MyTHH
  - Provide good website analytics
- 4.6 The Panel made a number of recommendations for consideration as part of the website refresh. These include;

## Appendix One

Maintaining a simple and clean layout and incorporating the use of dropdown menus and an improved search function	Reducing the volume of text found on the website, avoid duplication and including hyperlinks to further information if required	Improving the readability of the website by using plain and simple language
Easing navigation by ensuring no more than three clicks are required to reach the desired section	Embedding iconography in the design and ensuring the new website meets accessibility requirements	Prominently publishing information such as the 'Super Seven' <sup>2</sup> KPI indicators on the home page

- 4.7 The Panel considered whether the refreshed website should include an extranet (password protected layer of the website). This would enable additional information to be shared with interested parties such as involved residents or Tenants and Residents Associations (TRAs) on request without compromising the simplicity of the core website or overloading it with information. Whilst recognising the potential advantages, members concluded using this approach could negatively affect transparency.
- 4.8 Officers were encouraged to explore whether the refreshed website could strengthen the localised content offer based on the model used by the BBC website. This would allow residents to get more tailored information relevant to their local neighbourhood patches, such as information on parking, planned major works or local resident groups without the need to navigate to multiple sections of the website.
- 4.9 Whilst making their recommendations, the Panel also recognised the importance of ensuring a wider body of residents are consulted on the proposed look, feel and functionality of a new website. The Panel recommended that officers form a working group to influence the refresh on an ongoing basis whilst also exploring the possibility of using community events and festivals to road test ideas and gain further feedback.

### **Recommendation 1:**

Enhance the THH website by:

- a. Adopting a localised approach to content allowing users to access information based on their neighbourhoods
- b. Regularly publishing performance information across the 'super seven' performance indicators
- c. Forming a resident working group to influence the development of a new THH website

- 4.10 In light of the drive by THH to encourage use of services online, the Panel explored the possibility and advantages to developing an app to push messages and simplify access to services. Officers noted the suggestions made by the Panel but pointed to best practice outlined by the Government which encourages investment in the development of responsive websites as an alternative. As well as being costly to develop, native apps also ran the risk of placing an additional barrier to accessing services due to compatibility issues with devices. Research commissioned by the Council had also indicated that whilst a high number of residents in Tower Hamlets

<sup>2</sup> Key quarterly performance measures which rates satisfaction levels around Overall Satisfaction, Customer Access, Caretaking, Homes, ASB, Communications and Complaints

had access to one or more mobile device, the borough suffered from high levels of data congestion affecting the quality and speed of mobile data services.

### **Engaging residents through social media and e-newsletters**

- 4.11 Whilst recognising the reach of THH's quarterly publication (Open Door) and the planned refresh of the THH website, Members of the Panel explored how the organisation was dealing with the growing role of social media and digital communication.
- 4.12 Officers outlined THH's social media strategy highlighting that it had a presence on Facebook and on Twitter with a following in excess of 4,000 subscribers. With the growing popularity of Twitter as a medium for requesting services across other sectors, THH has put in place measures for complaints, queries and service requests to be picked up through the Housing Service Centre and be channelled through the most appropriate processes. Officers emphasised that whilst THH would do its utmost to provide support to residents raising queries, residents were still encouraged to use existing channels to raise queries. This enables officers to capture and appropriately diagnose requests whilst also avoiding potential data protection issues.
- 4.13 In light of the size of the current subscription base to THH's social media profiles, the Panel recommended that THH make better use of this platform by increasing the use of images and videos, sharing and retweeting positive stories and also serving as a platform for promoting grassroots activities taking place across THH estates. The Panel also recognised the potential for Twitter to be used as a means for targeted messaging to help increase the number of subscriptions to MyTHH.

#### **Recommendation 2:**

Enhance THH's presence on social media by:

- a. Promoting more resident led initiatives/content
- b. Using more images and videos to promote messages
- c. Exploring the use of paid advertising on social media to increase the number of followers across social media platforms

- 4.14 In 2017, THH introduced Open Door Extra, a monthly e-newsletter, as an additional medium to push messages to residents outside of the quarterly publication schedule for the Open Door magazine, and without relying on residents to access the website or social media. The service however had not received prominent advertising resulting in only 355 subscribers. Recognising the potential for Open Door Extra to play an important role in THH's communication strategy, the Panel recommended that in addition to promoting the newsletter to increase subscription rates, more thought is provided to achieve a better balance between the quality and quantity of information included.

#### **Recommendation 3:**

Increase the subscription to Open Door Extra by promoting it more prominently to residents

## 5. Improving the quality of communication

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- 5.1 Whilst recognising the wide range of methods being used by THH to communicate with residents, the Panel emphasised the importance of ensuring communication is kept simple and easy to understand. Members provided examples where messaging was deemed to be unclear and over populated with technical language and jargon making it inaccessible to residents. The Panel pointed to data from the 2011 Skills for Life survey which indicated that almost 21.5% of the borough's adult population was classed as functionally illiterate with a reading age below 11.
- 5.2 Officers recognised that this is an area that could be improved. Data from a survey carried out by the Institute for Customer Service (ICS) indicated that of all methods of communication, residents were least satisfied with written communication from THH. Whilst there are some formal mechanisms to check the quality of communication being sent out this applies only to responses to complaints and members enquiries, or in the case of large scale communication with residents.
- 5.3 Officers highlighted recent work undertaken by the Communications team to review and simplify service charge letters sent to leaseholders. Whilst recognising suggestions from the Panel that this is offered more widely to other parts of the organisation, the Head of Communications highlighted the lack of capacity within the team to deal with such volumes. Staff were however expected to seek feedback within their departments before issuing letters and ensure they adhered to the recently refreshed communications style guide.
- 5.4 The Panel noted the capacity issues raised and the role of the style guide in supporting officers to produce written content that is consistent in quality and in its simplicity. The Panel recommended that the guide is promoted more proactively within the organisation to ensure staff are aware and understand these requirements clearly.

**Recommendation 4:**

Ensure there is consistency in style and use of Plain English in written communication to residents across the organisation

- 5.5 The Panel sought clarification on the process followed by teams to ensure staff in the Housing Service Centre are cited when letters are sent on a sizeable scale to ensure they can deal with follow on queries. Members were advised that teams are expected to circulate letters to the Housing Service Centre prior to their dissemination to ensure staff are prepared and aware of how to address follow on queries from residents. Where this process is managed properly, feedback is also often provided on letters if there are issues with the quality of clarity. The process however is not consistently followed. As a result work is underway to strengthen processes and implement a more robust customer relationship management (CRM) tool to increase visibility of communication with residents across the organisation.
- 5.6 Officers also highlighted that THH was working closely with the Institute of Customer Service (ICS) to secure the ServiceMark accreditation. This national standard offers recognition for the quality of customer service within an organisation and its commitment to upholding high standards. The accreditation process would play an important role in supporting THH to embed clear standards and improve the quality of communication with residents

## **6. Ensuring communication is accessible**

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- 6.1 Whilst acknowledging the importance of developing a strong digital offer, members of the Residents' Panel expressed concern over how this strategy would affect residents that are not digitally engaged or were not able to communicate in English. This was of particular concern given national research indicating older people and those with disabilities were more likely to be digitally excluded. The Panel also sought clarification on how THH accommodates the needs of residents who are unable to read or communicate in English.
- 6.2 Officers confirmed that whilst THH was keen to develop and promote opportunities for residents to access services online, it remained committed to ensuring existing means of engagement in the form of front line counters and the Housing Service Centre would remain in place. Although there are clear economic advantages to encouraging online transactions, THH's objectives in developing and promoting a digital offer was underpinned by a desire to offer greater choice for residents, and improve the customer experience. This was not designed to replace existing methods of engagement.
- 6.3 Officers noted concerns and suggestions raised by the Panel around the issue of dropped calls and potential options to improve the experience of residents if a call is lost. By being able to divert traffic away from the contact centre to the self-service platform, those requiring access to services through the Housing Service Centre would be able to benefit from greater stability in the call handling process and an improved level of service. Suggestions on providing all callers a reference number at the start of a call would offer limited value as it would only indicate a call had been received and not necessarily guarantee any other information can or has been captured in order to provide a seamless experience.

### **Offering translations**

- 6.4 In recognition of the diversity within the borough, THH offers a community language honorarium to staff who are bi-lingual and able to use their language skills to support the delivery of services. Through this scheme, and by recruiting staff from the local community, residents who are unable to speak English can be easily paired with a member of staff who is able to communicate with them in their native language. Where a language need cannot be accommodated due to staff availability or the lack of language speakers, residents can be connected through to Language Line to access an interpreter.
- 6.5 Although THH has historically offered translations for written communication upon request, this had since been suspended due to the limited uptake of this service. Despite this decision, important messages, such as the recent transition to online rent statements, have continued to be translated into key languages.
- 6.6 As an alternative to providing written translations to residents who may equally lack literacy skills in their native language, THH has focused on exploring alternative methods of engaging residents. As a result, since 2017 it has held a monthly slot on a local Bengali radio station 'Betar Bangla' targeting more than 11,000 Bangladeshi tenants and leaseholders served by THH. The initiative has gained recognition across the housing sector leading to THH being shortlisted for the 2019 UK Housing Awards in the category of inclusivity and diversity pioneer.<sup>3</sup>

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<sup>3</sup> At the time of conducting this review, THH had been shortlisted for its radio show on Betar Bangla for the 2019 UK Housing Awards. In May 2019, THH won the award in the category of Inclusivity and diversity pioneer.

- 6.7 The Panel welcomed the initiatives taken by THH to cater for the needs of residents who may struggle with literacy or are unable to communicate in English. Officers were however encouraged to explore options to encourage non-bilingual staff to learn key phrases in key community languages and introduce in-queue messages in languages other than English in order improve accessibility. The Panel also recommended that more thought is provided to promoting services, such as THH's radio show, through word of mouth networks and at the point of service delivery in order to ensure residents that may struggle with literacy are more likely to be reached.

**Recommendation 5:**

Improve access to services for speakers of other languages by:

- a. Exploring training and development opportunities for front line staff to learn key phrases in other languages used by residents of THH
- b. Include in- queue messages in different languages for residents placed on hold whilst awaiting a speaker of their language
- c. Working in partnership with local agencies to promote services and information through referrals and word of mouth networks

**Localised communication**

- 6.8 The Panel discussed the role of noticeboards as a means of communication and noted that there had been a lack of clarity or consistency in how they had been used by THH. Members highlighted examples of conflicting messages from staff on current policy. In light of the increasing number of private renters on THH estates, the benefits of noticeboards to enabling local community organising and supporting residents that may not be reached by other forms of communication, the Panel recommended that officers revisit this issue to develop a consistent policy and work with residents to determine the type of content that should be communicated through them.

**Recommendation 6:**

Develop a consistent policy on the use of notice boards across THH Estates.

As part of this process work with residents to:

- a. Agree the type of information to be communicated through noticeboards
- b. Map the number and locations of noticeboards still available for use

- 6.9 Officers recognised the recommendations of the Panel and advised that work was underway to provide greater clarity on the role of noticeboards. This would involve local Tenants and Residents Associations, involved residents and staff to develop procedures for the maintenance and use of noticeboards across THH estates.
- 6.10 The Panel concluded its review by noting that its recommendations would be formally presented to the Tower Hamlets Homes Board before being formally adopted. Once agreed, an action plan would be produced setting out how these recommendations

## Appendix One

would be implemented. A progress update would be offered to the Panel in 12 months.

# SCRUTINY REVIEW ACTION PLAN 2019 - 2020

## Improving Communications Standards

	Recommendation	Actions	Lead	Completion
1	<p><b>RECOMMENDATION 1:</b> Enhance the THH website by:</p> <ul style="list-style-type: none"> <li>Adopting a localised approach to content allowing users to access information based on their neighbourhoods</li> <li>Regularly publishing the 'super seven' performance indicators</li> <li>Forming a resident working group to influence the development of a new THH website</li> </ul>	<p>The THH website will be fundamentally reviewed and its neighbourhood approach unlikely to be in place until December 2019 at earliest. Residents will be invited to be part of development. We are currently shortlisting for a Digital Officer to provide dedicated support to the refresh of the website.</p>	Communications Manager	December 2019
2	<p><b>RECOMMENDATION 2:</b> Enhance THH's presence on social media by:</p> <ul style="list-style-type: none"> <li>Promoting more resident led initiatives/content</li> <li>Using more images and videos to promote messages</li> <li>Exploring the use of paid advertising on social media to increase the number of followers across social media platforms</li> </ul>	<p>The Communications Team will ensure there is greater focus on the use of images and videos in the way it communicates with residents.</p> <p>The team is now attending resident events to produce tailored social media content rather than simply retweeting residents' own content and will be working closely with the Community Partnerships team to maintain a forward plan of events. We will also be carrying out a pilot with paid advertising pilot to increase the subscription to our social media platforms.</p>	Communications Manager	September 2019
3	<p><b>RECOMMENDATION 3:</b> Increase the subscription to Open Door Extra by promoting it more prominently to residents</p>	<p>Open Door Extra will be reviewed with input from residents to ensure its content is relevant. The review will also explore issues such as the format, software used for publication and the design of the newsletter. Work will also be undertaken to ensure there are clear processes in place within the THH to ensure there is an appropriate supply of content in order to maintain a forward plan.</p> <p>The refresh of Open Door Extra is expected to encourage</p>	Communications Manager	Review and implement by December 2019

## SCRUTINY REVIEW ACTION PLAN 2019 - 2020

		an increase in subscriptions. Once completed we will look at ensuring it is more prominently promoted on our website and other relevant communication channels.		
4	<b>RECOMMENDATION 4:</b> Ensure there is consistency in style and use of Plain English in written communication to residents across the organisation.	<p>The Communications team will be promoting a Plain English guide and reinforcing the written style guide for all staff. This will be included in induction guidance for new staff and made easily accessible on the intranet.</p> <p>The team is currently reviewing letters issued by Leasehold/Asset Management to ensure content is in plain English</p>	Communications Manager	September 2019
5	<b>RECOMMENDATION 5:</b> Improve access to services for speakers of other languages by: <ul style="list-style-type: none"> <li>• Exploring training and development opportunities for front line staff to learn key phrases in other languages used by residents of THH</li> <li>• Include in-queue messages in different languages for residents placed on hold whilst awaiting a speaker of their language</li> <li>• Working in partnership with local agencies to promote services and information through referrals and word of mouth</li> </ul>	<ul style="list-style-type: none"> <li>• Identify top two languages spoken by residents of THH</li> <li>• Survey languages spoken by HSC staff to establish training requirements, and explore needs can be met using in-house staff</li> <li>• Produce recordings in top two languages for in-queue messaging system</li> <li>• The Community Partnerships Team will ensure the partners they work with are provided relevant messages to promote by word of mouth to THH residents whilst providing services</li> </ul>	Customer Services Manager  And  Community Partnerships Manager	Review end July 2019   Immediate

# SCRUTINY REVIEW ACTION PLAN 2019 - 2020

	Recommendation	Actions	Lead	Completion
6	<p><b>RECOMMENDATION 6:</b> Develop a consistent policy on the use of noticeboards across THH Estates. As part of this process work with residents and staff to:</p> <ul style="list-style-type: none"> <li>• Map the number and locations of noticeboards still available for use</li> <li>• Agree the type of information to be communicated through noticeboards</li> </ul>	<p>THH is currently reviewing its position on noticeboards. The process will involve;</p> <ul style="list-style-type: none"> <li>• A mapping exercise to identify where noticeboards remain</li> <li>• A limited roll out of noticeboards at an estate level across three areas and: Refreshed guidance for staff and residents on access and maintenance of noticeboards.</li> </ul>	Head of Business Development	August 2019

<b>Board of Directors</b>  25th July 2019	
<b>Report authorised by:</b> William Manning, Director of Asset Management  <b>Report Author:</b> Julie Selhep, Head of Property	<b>Report type:</b>  For discussion
<b>Title:</b> Brewster and Malting Houses –Update	

### 1 Background

- 1.1 This report provides Board with an updated briefing on Brewster and Malting Houses. Board are advised that this is a fast moving situation with developments occurring frequently, consequently this update may change by the time the Board meets

### 2 Recommendation

That Board Directors

- 2.1 note the contents of this report

### 3 Update

- 2.1 The final draft of the LBTH Cabinet report was up loaded to the Council website on 17<sup>th</sup> June in readiness for the Cabinet meeting on 26<sup>th</sup> June. The report recommended agreement for the project and works to proceed with a project budget of £8m (including an estimated works and costs of £6.6m) and, that the works would be chargeable with extended payment terms for leaseholders ( which would be applicable borough wide.) The estimated recharge costs for leaseholders range between £55k to £76k.
- 2.2 On 18<sup>th</sup> June, letters were hand delivered to tenants and leaseholders by staff, who also door knocked. The letters offered a number of contact options as it was anticipated there would be significant concern about some elements of the report, in particular the costs to leaseholders. Further door knocking has taken place and the leasehold team have met with a number of leaseholders. The feedback to date has been of concern at the estimated cost from many leaseholders and questions on the necessity of the works and the length and level of disruption.
- 2.3 At the Cabinet meeting three residents spoke including the Chair of the TRA. They expressed concerns over costs and the lack of consultation time between issue of the report and the Cabinet meeting. The Mayor agreed the payment terms, confirmed the existing buy back options and indicated the works needed to go ahead but stated we wished to take further time to consider the issues raised by residents. Since the meeting officers have been responding to a range of detailed queries from the Council and continuing to contact residents.

- 2.4 A Resident Meeting is being arranged for 24<sup>th</sup> July which will cover; the necessity, scope and programme of works, ongoing consultation and resident options for decant and respite and leasehold issues, e.g. payment options. The Mayor will be attending the meeting. It is expected a Mayoral decision will be reached post this meeting.
- 2.5 Following the meeting a short presentation will be provided to Board on the outcome of the meeting and the position at that point.
- 2.6 Attached as Appendix 1 to this briefing is a copy of the cabinet report considered at the 26th June cabinet meeting

<b>Cabinet</b>  26 June 2019	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Ann Sutcliffe, Corporate Director, Place	<b>Classification:</b> Part Exempt
<b>Brewster House and Malting House Structural Strengthening Works</b>	

<b>Lead Member</b>	Councillor Sirajul Islam, Cabinet Member for Housing and Deputy Mayor
<b>Originating Officer(s)</b>	Mark Baigent: Interim Divisional Director Housing and Regeneration
<b>Wards affected</b>	Limehouse
<b>Key Decision?</b>	Yes
<b>Forward Plan Notice Published</b>	16 May 2019
<b>Reason for Key Decision</b>	Financial Threshold
<b>Strategic Plan Priority / Outcome</b>	A borough that our residents are proud of and love to live in

### Executive Summary

This report sets out proposals for additional resources to undertake works needed to address the structural integrity at Brewster House and Malting House, two large concrete panel system blocks comprising 112 flats.

These two high rise blocks of flats have already benefited from internal communal fire safety works in 2017/18 and works commenced last year to remove and replace the External Wall Insulation (EWI) system, which was found to be unsafe. Wates were appointed to carry out this work and have fully removed the unsafe cladding, as well as commencing replacement.

In 2018, the Government also advised councils to review the structural condition of their blocks that used the Taylor Woodrow Anglian large concrete panel system and to ensure that their structural integrity is sufficient and maintained.

Officers commissioned consulting structural engineers, Wilde Carter Clack, to conduct a comprehensive structural investigation in July 2018 whilst the External Wall Insulation (EWI) works were being undertaken. The engineers' findings concluded that the blocks required intrusive structural strengthening, particularly as the buildings were at risk of progressive structural collapse in the event of an explosion and possibly following an extremely intense fire (which could cause floors to buckle and collapse), whilst noting that the risk of explosion had been mitigated due to the absence of piped gas within the building, in addition to management

arrangements put in place by Tower Hamlets Homes (THH).

This report sets out the options for procuring and charging for the additional works needed, recommending an approach to deliver and complete the work, taking into account specialist advice and focusing on the needs of residents.

### **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Agree that capital resources of £8,083,081 are made available within the five year HRA Capital Programme to fund the works (Option 1) and the services associated with delivering the works, and agree to adjust the five year programme accordingly.
2. Agree to the award of the works contract to Wates in the sum of £6,276,605.50. Wates has been procured via the Council's Better Neighbourhoods Works Framework.
3. Agree to formally consult leaseholders and to recharge them for their portion of the cost of the works.
4. Note that officers will explore the voluntary buy-back of leasehold properties in the two blocks, under the existing budgeted borough-wide buy-back programme, with potential costs estimated at c.£9.6m.
5. Agree to the introduction of two additional borough-wide leasehold service charge payment options as set out in sections 9.5 - 9.7 of the report.

## **1 REASONS FOR THE DECISIONS**

- 1.1 Additional housing capital resources are needed to fund urgent works needed to address structural issues in relation to the Brewster House and Malting House large panel system high rise blocks. Consulting structural engineers, Wilde Carter Clack, concluded that the blocks require intrusive structural strengthening, particularly as the buildings are at risk of progressive structural collapse in the event of an explosion and possibly following an extremely intense fire (which could cause floors to buckle and collapse). (Please see Appendix 1.)
- 1.2 The floor slabs in each of the flats require strengthening, undertaking this work will be complex with an expected duration of 75 weeks (around 18 months).
- 1.3 The works will involve all of the 112 dwellings. A risk assessment undertaken by consulting structural engineers Curtins (Appendix 2 and quoted below) has stated that it is safe for residents to remain in occupation at this time and during the planned works, with respite facilities and temporary rehousing options available as required.

*“We confirm that the proposed strengthening works may be carried out with the residents in place with appropriate Risk Assessments/Method Statements being implemented. There will be times when temporary exclusion of residents is necessary from certain areas subject to arrangements between the contractor and Tower Hamlets Homes.”*

*“Much of the work can be carried out from the exterior. The internal works will require management of the exclusion of the residents from the work area. In general the residents on other levels may remain in occupation.”*

- 1.4 External Wall Insulation (EWI) works already being delivered by Wates have been suspended pending the procurement and delivery of the structural works contract.
- 1.5 Officers recommend appointing Wates to carry out the structural strengthening works under the new Better Neighbourhoods Framework (BNF). This will ensure continuity as well as delivering VFM, given that Wates were the highest scoring contractor in the BNF procurement process and hence can be directly awarded the contract for the structural strengthening works.
- 1.6 Residents and the Barleymow Tenants & Residents Association have been regularly updated on the progress of investigations and works proposals. More detailed consultations will take place following the Cabinet decisions.

## **2 OPTIONS AND RELATIVE COSTS**

- 2.1 The options which have been considered are as follows:
  - 1. Proceed with the proposed works and recharge the leasehold properties for all of the additional works.**
- 2.2 The works are required as a result of a safety consideration that became apparent after the blocks were built – the Ronan Point explosion in 1968. Responsibility for repairs to this type of block fall upon the owners which includes leaseholders.
- 2.3 The recharge cost to leaseholders is estimated to be in the region of £2.0m.
- 2.4 If this option was chosen the council will bear the costs of the decant estimated at £224,000. The council will also bear the costs of any leasehold disturbance and temporary accommodation costs. This amount is included in the total £704,000 resident disturbance and temporary accommodation allowance shown in the table below (the remainder relating to tenants).
- 2.5 The total estimated cost of this option is £8,083,081. A summary of the cost and allowances categories is;

Wates works contract	6,276,606
Additional works contingency	339,753
Structural engineer	140,000
Security and safety ( walk and watch monitoring)	190,722
Resident disturbance and temporary accommodation allowance	704,000
THH Project Team	432,000
Total	£8,083,081

## **2.Do not proceed with the works; instead redevelop the site of the two blocks to replace existing homes and build additional new homes**

- 2.6 The alternative option of demolition of Malting and Brewster Houses and redevelopment of new homes on the estate has been considered. Outline views from architects suggested scope to increase density in line with Planning policy, building around 160 new homes. However, the considerable costs of rehousing residents, buying out and compensating leaseholders, demolishing the existing blocks and then constructing new buildings would make the wholesale regeneration option unviable in normal commercial development terms, even if all the additional homes were sold at full market value. Based on outline assumptions, the net cost to the Council (after cross-subsidy from open market sales) is estimated at between £25m and £40m.
- 2.7 If the Council wanted to increase the supply of social rented homes on the estate through redevelopment, funding would be limited to HRA borrowing, with use of RTB receipts only possible under current rules for additional new social homes, not the replacement of existing homes. Despite the high costs of the strengthening works and recladding set out in this report, officers recommend that this refurbishment offers better value for money to the Council than redevelopment.
- 2.8 The total estimated comparison cost of this option is £16,632,107. This estimate allows for full decant only and does not include demolition or any development costs. As indicated above, the net cost of redevelopment is estimated at between £25m and £40m. On a unit cost basis per rented dwelling, this means a cost of between £250k and £400k, in contrast to an average refurbishment cost per dwelling of £87.5k.
- 2.9 A further alternate option that has been considered at a high level would be to remodel the whole estate (including Brewster and Malting Houses and also the neighbouring low-rise blocks) replacing the existing homes and providing much needed additional new homes. Whilst further feasibility work on this option could be undertaken to explore the scope and tenure mix, whilst complying with Planning policy on the tenure mix, this would further delay the structural works needed to Brewster and Malting Houses.

### **3. Full decant of both blocks prior to completing the proposed works**

- 2.10 If the Council decided to vacate both blocks prior to starting work and throughout the works contract, the timescale would be extended by an estimated nine months (six at the outset and three at the end). This approach is not recommended by Curtins, the specialist structural engineering consultants, whose risk assessment confirms that works can be carried out safely with residents in occupation (other than short periods of rehousing needed for those flats directly undergoing strengthening works at any one time). This approach would significantly increase the overall costs, with an estimated £13.5m decant costs pushing the overall project costs over £21m.

### **4. Proceed with the works as per Option 1 but do not recharge the leasehold properties**

- 2.11 Should the Council choose this option then it would waive the recovery of an estimated £2m from leaseholders.
- 2.12 The total estimated costs would be as per Option 1 but with no leasehold contribution. Effectively tenants would be subsidising leaseholders because these costs would be paid by the tenants across the HRA through their rents.

#### **Recommended Option**

- 2.13 Option 1 is recommended to Cabinet for the reasons set out above.

### **DETAILS OF THE REPORT**

#### **3 Background**

- 3.1 THH officers and Wates were in the progress of delivering the external wall insulation re-cladding contract. An initial structural survey was carried out to ensure that the strength of the existing building fabric would safely carry the new cladding system. Following this survey and prompted by Ministry of Housing Communities and Local Government (MHCLG) guidance, the structural engineer's commission was extended to include a review of the buildings' ability to withstand a disproportionate collapse in the event of an explosion. The MHCLG have advised landlords to review the condition of their large panel system blocks and to ensure that their structural integrity is sufficient and maintained.
- 3.2 Wilde Carter Clack was commissioned to undertake the structural survey. Their findings (reported in July 2018) stress the urgency to undertake the remedial structural work without delay. Please see Appendix 1.

#### **4. Proposed Structural and Associated Works**

- 4.1 It is proposed to carry out the following works via Wates (subject to contract and s20 clearance prior to contract award):

- Undertake structural strengthening works externally to the two blocks. This will involve drilling and inserting steel rods into the existing concrete floors to supplement the existing inadequate reinforcement.
  - The steel rods are then tied into the block façade via an external connected steel frame. This ties the wall panels into the floor panels.
  - Expose various floor and ceiling areas within flats; undertake structural strengthening works and reinstate finishes to the flats and externally.
  - Removal of resident's belongings, furniture and finishings. Provision of daytime respite and decant facilities on an individual household assessed basis. Reinstatement upon the completion of the works.
  - Wates will employ a specialist structural contractor through a competitive tendering process.
- 4.2 The works are expected to take 75 weeks (around 18 months) to complete. The works to both blocks will be carried out simultaneously. Third party roles and responsibilities and programme are appended at Appendices 4 and 5.
- 4.3 Based on procurement and legal advice, officers recommend making use of the new Better Neighbourhoods Framework to procure the contractor to deliver the structural strengthening works. Wates is the highest scoring contractor on the framework and thus can be directly awarded a contract, subject to the framework award rules being followed.
- 4.4 Wates has conducted a competitive tender between two specialist structural contractors Bersche-Rolt and Cintec. This work makes up the majority of the physical works and Wates tender price. See below for details of the cost breakdown.
- 4.5 THH officers have been actively involved during the tender process. Due to the nature of the works it has not been possible to agree a fixed price with Wates. However the tender includes appropriate provisional sums to cover this. In addition there is a contingency allowed to cover unforeseen works or resident support services that may be required.
- 4.6 Wates are responsible for the site and the contractors, and for the structural design and structural works sign-off via their own structural engineer.
- 4.7 Wilde Carter Clark, structural consulting engineers who have a long association with the two blocks and have been actively involved since the external wall insulation works, are engaged and are responsible for checking the design and the works on behalf of the Council. Building Control will also continue to review as required.
- 4.8 Following negotiation, Wates tender price totals £6,276,605.50. A detailed cost breakdown is provided in exempt appendix 3.
- 4.9 Separately there is an estimated £921,405 expenditure remaining for the incomplete External Wall Insulation (EWI) works already in contract with Wates. These works will be completed once the structural works are

completed. These works have already been budgeted for and approved. It was previously agreed that leaseholders will not be charged for these EWI works.

- 4.10 Further costs may be incurred for management costs, decant and respite, resident compensation, and resident and stakeholder communications, if there is a higher than expected demand for the resident support and decant services.
- 4.11 Details of the additional financial risks on this contract and associated works are set out in exempt Appendix 3. The total amount for provisional sums and contingencies amounts to £1,474,280. In addition, full take-up of the buyback option (see 9.13 below) would add further potential costs estimated at c.£9.6m, which would be a General Fund capital expenditure.

## 5. Consultant Structural Engineer

- 5.1 The consultant structural engineer Wilde Carter Clarke has been leading on the structural investigations and solutions. They have provided the initial structural solution and design.
- 5.2 It is proposed that they are retained for the duration of the works. Their role will be to oversee the specialist structural works and to provide ongoing advice and support.
- 5.3 Wilde Carter Clack has submitted a tender price to oversee the structural works and to provide ongoing advice and support.
- 5.4 The cost for their remaining commission is currently estimated as follows:

<b>STRUCTURAL ENGINEER</b>	
Wilde Carter Clack (Consultant Structural Engineer)	£65,000.00
Contingency (Including Fire Safety Report)	£75,000.00
Total	£140,000.00

- 5.5 A recent inspection of the block to determine the fire break protection of the blocks was undertaken at 12 Brewster House by the in-house team who are experienced building surveyors. This inspection concluded the following:
  - There was sufficient evidence to suggest that the floor screed is flush with the exterior walls thus forming a fire resistance seal.
  - The ceiling joints are filled with a concrete mix and mastic forming a fire resistance barrier.
  - The suspended ceiling boards are of sufficient density and thickness and contain a fibrous material synonymous with those offering fire resistant properties.

5.6 These findings are deemed sufficient to progress the works. A contingency has been included should the need for further fire safety investigation become apparent during the progress of the works.

## **6. Respite and Rehousing (Decant)**

6.1 The proposed work is extremely intrusive and will require respite and some decant (temporary rehousing) facilities to be offered to some residents.

6.2 This service will apply equally to tenants and leaseholders. Although the lease does not obligate the Council to provide this, leaseholders can claim for damages.

6.3 Daytime respite facilities are being established via Wates. This includes temporary accommodation on site to allow respite during the dwelling specific intrusive works. THH officers will work with each household to determine the extent to which they need to use daily respite facilities or be temporarily or permanently rehoused.

6.4 A number of empty properties will be held and made available for longer term decants. Further temporary and / or permanent decant will then be off-site and in a hotel. In addition, an emergency overnight facility will be available on-site should it be required. This will avoid creating additional duress to households in the event of an emergency decant.

6.5 There is a costing allowance for daytime respite, on-site temporary accommodation and off-site temporary accommodation in the project costs. This will be adjusted as required.

## **7. Tower Hamlets Homes Staff Resourcing**

7.1 Due to the complex and intrusive nature of the works, it is proposed to allocate the following additional resources to the contract. This is based on 18 month duration on agency rates. It also assumes that on current information it is possible for the works to be carried out with the majority of residents in occupation but with respite facilities provided and short term decants as the exception; based on particular needs.

<b>Post Description</b>	<b>Cost</b>
Project Management	£194,000
Surveying	£140,000
Resident Liaison Communications	£98,000
Total	£432,000

7.2 This team will be responsible for managing all aspects of the contract, along with all external stakeholder engagement.

7.3 Should a full decant become required (although this is not currently anticipated) then additional resources would be needed. These are estimated

as being 2 x Decant Officers and 1 x Admin Officer at a total additional cost of £192,000.

## **8. RESIDENT ENGAGEMENT**

- 8.1 Residents have been kept informed throughout the structural investigation period via weekly drop in coffee mornings, monthly newsletters, regular liaison with the TRA Chair, access to the onsite Project Team, a drop in afternoon/ evening session with THH officers followed up by FAQs on the findings and proposed works. The ward Councillor and Deputy Mayor have been kept informed of the position.
- 8.2 Currently residents are being visited in their homes by the Resident Liaison Team to carry out Impact Assessments and to ascertain their specific needs during the works.
- 8.3 Senior THH officers and representatives from Wilde Carter Clack will hold a formal meeting with residents when it is known if the works will proceed. There will be separate 1:1 sessions offered to leaseholders regarding charges for the works.

## **9. LEASEHOLD CONSIDERATIONS**

- 9.1 It is proposed that leaseholders are charged for all the necessary building works. The works will be disruptive and intrusive and it will be important to establish an equitable approach for all residents notwithstanding that the leaseholders will be recharged for the works. It should be stressed that these works are of a very exceptional nature and so costings are estimated at this stage..
- 9.2 Based upon Option 1, the costs for leaseholders are estimated at this stage to be in the region of: £55,000, £66,000 or £76,000 per dwelling. The range reflects a 1 bed, 2 bed and 3 bedroom property. The total to be billed to lessees will be in the region of £2m.
- 9.3 Section 20 Notices will be served upon leaseholders for the cost of the works and applicable fees. The cost of the works will be based upon the tender submitted by Wates under the new Major Works Qualifying Long Term Agreement.
- 9.4 Due to the nature of the works and the unusually high overall cost to leaseholders it is proposed that additional payment options are explored.

### **Major works payment options**

- 9.5 Currently leaseholders have a range of support payment options agreed by the Council in 2016 and 2013 which included a discretionary cap. The support payments options administered by THH are available to leaseholders subject to eligibility. Malting and Brewster leaseholders make use of the existing wide ranging support payment options. The rationale for the options has not

changed; however, recent high bills have provided an opportunity to revisit the options.

- 9.6 It is proposed to retain the existing options and add additional options for resident lessees (i.e. not sub-letting the property) facing significantly high bills, defined as £25,000 and over. The proposed additional arrangements are:
- For resident lessees 65 years old or over with a bill of £25,000 or more, a charge can be put on the property with the Council's interest payable per annum. The bill is paid (plus any legal costs) upon the sale or transfer of the property. Note that if the Council agree to a 'voluntary charge' then THH can raise one charge based on the estimate rather than on each occasion the lessee is invoiced.
  - For resident lessees under 65 years old with a bill of £25,000 of more, then the Council offers an interest free period of 5 years.
- 9.7 The charge would need to be paid by the lessee at a cost of circa £250 for each transaction. The fee is payable to place the charge then have it removed. There would also need to be sufficient equity in the property. It is also the case that lessees will invariably have to raise such large sums via their mortgage. They can then determine the length of payment: from 5 to 25 years. Note that an interest only mortgage (at 3%) for a £74,000 loan equates to £185 repayable per month over 20 years. On a repayment basis the monthly amount payable would be: £410.

### **Restitutionary Claims at Maltings and Brewster**

- 9.8 As the circumstances at Maltings and Brewster are quite unique there does not appear to be any existing policy in this area. Tenants decants are covered by: Land Compensation Act 1973 (S37 and 38 – Disturbance Payments), Housing Act 1985 (S26 - Financial assistance towards removal expenses), Housing Act 1996 (Parts VI & VII – Allocation of housing accommodation & Homelessness).
- 9.9 The leases contain clauses that enable leaseholders to make claims for the loss of the use of their homes. It is likely that with leaseholders any claims need to be individually negotiated or assessed on their circumstances. The compensation will be an inconvenience component and then a disturbance payment that will depend on their circumstances and the duration of the decant.
- 9.10 The starting point in arriving at a quantum is to monetise the offer in place for tenants and to convert that to a daily rate for leaseholders and make any reasonable adjustments from that point. This should provide the basis to assign a fixed sum for removal and return costs by property size and assign a daily disturbance payment per property dependent on whether the council is providing alternative accommodation from our stock or relying on Bed and Breakfast accommodation, hotels etc. Rental income is at least £1,400 per month.

- 9.11 The costs of dealing with leaseholders' kitchens or bathrooms, fittings, carpets, etc. that need to be disconnected, reinstated, redecorated and made good will vary depending on the circumstances. Leaseholders will likely be looking at the offer from the perspective of S38 of The Land Compensation Act 1973. Allowances have been made for this as shown in Appendix 3.
- 9.12 It would appear unlikely that the works make the building un-mortgageable. However, the landlord would be obliged to provide details of the works in re-sales packs. So whilst not un-mortgageable, they may become unsellable. In the future lessees may claim against the Council for this. If this scenario is taken into account then selling at market value (under the Council's buy back scheme) and not deducting the works cost becomes an option (probably at present unique to Brewster House and Malting House).

### **Buyback**

- 9.13 The Council's existing programme applies at Brewster and Malting. However, as matters stand the cost of the work will be deducted from the market value. Buy back would appear to provide at least a good option for both the lessees and the Council. It removes any claims, disputes over making good and makes the carrying out of the works much easier (if they have already sold). However, the Council would need to factor in and add any restitution payable. This may potentially add around £10,000 to the sale price; possibly more if various scenarios are added. All but 2 of the lessees have more than the required 10 years since the RTB to qualify. The most recent RTB should have nothing to pay as the works are not listed in their costed schedule protection (CSP). Buyback is also likely to be quicker and certainly provide more certainty than an open market sale. However, it is important to recognise that in the buyback scenario the leaseholder is then faced with finding a new permanent home elsewhere, with the sales receipt possibly not sufficient to enable them to purchase again in the local second hand property market.

### **Benefits**

- 9.14 Some lessees may be entitled to DWP assistance if in receipt of one of the following benefits for 39 weeks or more:

- Income Support
- Jobseekers Allowance
- Employment & Support Allowance
- Pension Credit (Guaranteed element)
- Universal Credit (excluding tax credits)

- 9.15 If the above apply then leaseholders may be entitled to assistance with their major works charge, which would entail meeting the leaseholder and go through a Financial Inclusion (FI) assessment which includes an income and expenditure assessment to determine eligibility. Leaseholders can also carry out a self-assessment if they are able to. Note that as leaseholders will be invoiced in September 2020, there is plenty of time to assist them if necessary. Applications need to be made within 30 days of the date of invoice.

## **Billing**

- 9.16 Billing the lessees should ideally follow the updated THH method which is to bill as per the cash flow of the project. However, as the estimates for 2019 have already been issued, lessees at Brewster & Malting are likely to be billed only as actuals. Therefore, lessees will receive an actual invoice in September 2020, 2021 and 2022. On the basis of a £74,000 bill, indicative billing would look like this:
- September 2020 c. £50,000
  - September 2021 c. £20,000
  - September 2022 c. £4,000

## **Impact on Leaseholders**

- 9.17 Clearly bills of this magnitude will have a major impact on leaseholders. However, the impact will be different for each particular 'type' of lessee. For non-resident owners renting out, the decision becomes one of a commercial nature. As they are not residing at the premises, although the financial impact is similar, the personal impact is substantially less than for those residing. For those residing the impact will be considerable, on a financial and personal level. For those younger lessees it may be easier for them to raise finance and they may find it easier to sell and move. However for those lessees who are older, they may find it much more challenging to raise finance and may be forced to sell and therefore move; they will need to find accommodation (buying or renting) and an affordable location may well be different from their current home. THH do have some of the dates of birth of lessees. Of those known and who are residing there are 7 lessees aged between 50-60; 7 aged 60-70 and one aged over 80. THH do not have the dates of birth of 10 lessees who are residing. It is likely therefore that some of these lessees are in the higher aged brackets. Of the most recent RTB's; one unfortunately has their costed schedule protection (CSP) expiring in July 2019. This means that they will be fully liable to pay. For the more recent RTB; their CSP expires in March 2021 so they will likely not have to pay anything.

## **10. PROCUREMENT ROUTE**

- 10.1 The Wates' tender value of £6,276,605.50 is beyond the threshold delegated to any Corporate Director and the Procurement Regulations including the Council's internal procurement procedures will not allow for a variation of the original external wall insulation contract at this level.
- 10.2 In addition, the procurement is required with urgency and there are very few suitable specialist contractors available. Ad-hoc procurement would need to be undertaken via an Official Journal of the European Union (OJEU) procurement. This would typically take at least 15 months to procure such a complex contract.

- 10.3 Wates already has a site presence due to their contract for replacing the external wall insulation system. Their contract is currently suspended pending the delivery of the structural strengthening works. The external wall insulation contract will then recommence. It is therefore considered contractually and logistically advantageous if Wates carry out the structural strengthening works.
- 10.4 Wates are one of the contractors who have been appointed to the new Better Neighbourhoods Framework. The framework is suitable as a procurement route to procure a suitable contractor to undertake the proposed works. Wates are the highest scoring contractor in the main works lot of the framework. Therefore it is possible to conduct a direct award (call-off contract) to Wates.
- 10.5 Wates were invited to tender for the works on a negotiated tender basis. This was because the designs of the structural strengthening works were still in progress. Wates and the two specialist structural strengthening subcontractors were inextricably involved in developing the specialist design for the works. This forms the major element of the project. The other works relate to opening up areas within residents' homes, managing decant of residents and their belongings, and reinstating the residents' homes upon the completion of the work. The works need to be undertaken in a specific order due to the additional weight loadings introduced into the blocks via the structural steelwork. Thus the logistics around managing the works and the residents' issues are significant. Wates will be the principal contractor and will manage the site on behalf of the Council.
- 10.6 There is a heavy reliance on resident liaison officers provided both by Wates and Tower Hamlets Homes. This service is essential in order that resident issues are effectively managed and avoidable disruption and inconvenience is not experienced by them.
- 10.7 Wates has priced some of the enabling works and the property reinstatement works as provisional sums. This is because the exact extent of these works is unknown until all residents have been visited and their individual works support plan agreed with them. This approach is preferred as it was considered that Wates would price these items on a worst case scenario if they were required to price at risk.

## **11 EQUALITIES IMPLICATIONS**

- 11.1 Officers are endeavouring to treat all residents on an equitable basis. This is in terms of consultation (statutory requirements excluded) and how temporary decants, respite and the storage of furniture and belongings is managed.

## **12 OTHER STATUTORY IMPLICATIONS**

- 12.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

### **One Tower Hamlets Considerations**

- 12.2 Recommendations made in this report will ensure increased safety to all residents in the affected blocks. Resident consultation has started and will be increased as the programme progresses.

### **Best Value (BV) Implications**

- 12.3 This report recommends urgent action at a potential cost to the Council; however the inherent value of the proposal lies in the risk of not proceeding quickly with the recommendations.
- 12.4 Given the considerable concern across the UK regarding the safety of large concrete panel blocks, it is vital that the borough minimise any risk in this area by progressing the works.
- 12.5 The contract sum has been negotiated with Wates. Wates has conducted a competitive tender between two specialist structural contractors Bersche-Rolt and Cintec. THH officers were involved in the competitive tender process. Procurement and legal officers advise that this approach satisfies the value for money considerations in the framework contract rules.

### **Sustainable Action for a Greener Environment**

- 12.6 Officers will ensure that all products used conform to the LBTH strict sourcing strategy to achieve value for money whilst stimulating local markets and securing community benefits. These will support a strong and sustainable green economy, resilient to climate change.

### **Risk Management Implications**

- 12.7 There are significant risk implications inherent in large concrete panel blocks. A formal risk assessment undertaken by an approved leading consulting structural engineer Curtins Consulting limited has identified that the TWA buildings require urgent works.
- 12.8 The risk assessment prepared by Curtins has concluded it is safe for residents to remain in occupation based on the expectation that the work will be carried out soon, subject to risk assessments and methodology statements being completed.

- 12.9 The leasehold management risk is that leaseholders challenge the works and relative cost. If successful this would limit recharges to £250 per unit.
- 12.11 There is still a degree of uncertainty of the scale of work that is required pending accessing the proposed areas of work. The costs could increase if, for example, historical poor workmanship or use of poor materials is discovered. Specialist structural engineering advisers are appointed to monitor and mitigate this risk, for which contingency budgets are in place. Any emerging issues will be reported to the Corporate Director through the THH client meetings.

### **Crime and Disorder Reduction Implications**

- 12.12 There are no specific Crime and Disorder reduction implications

### **Safeguarding Implications**

- 12.13 Recommendations made in this report will ensure increased safety to all residents in the two blocks and maintain provision of 80 social rented homes and 32 leasehold homes. Individual household visits and needs assessments are underway to ensure the individual needs of vulnerable residents are adequately addressed throughout the period of works.

## **13 COMMENTS OF THE CHIEF FINANCE OFFICER**

- 13.1 The cost of the preferred option to undertake structural works on Brewster House and Maltings House will cost £8.083m. These costs are capital in nature and will be contained entirely within the Housing Revenue Account.
- 13.2 Funding will be by a combination of £2m leaseholder s20 contributions and HRA balances. There are sufficient balances within the HRA to fund the remaining costs of delivery c£6m.
- 13.3 The HRA has an approved five year capital programme. This project does not currently form part of this programme and as a result other works will need to be identified for slippage in order for the programme to remain within approved limits.
- 13.4 Any leaseholder property buybacks will be funded through the General Fund. The Council's standard buyback offer will apply but will be adjusted for the value of these works to each property. Typically each buyback will cost the General Fund between £250k and £300k to acquire.
- 13.5 There are advantages to the General Fund budget as letting these properties at LHA levels to homeless families will reduce the burden on the Temporary Accommodation budget through limiting the use of more expensive nightly paid accommodation.

- 13.6 Right To Buy receipts can be used to fund 30% of each buyback as long as the Right To Buy purchase took place over 10 years ago. In these cases the remaining 70% will be funded through General Fund borrowing.
- 13.7 There are two properties that could potentially be bought back where Right To Buy receipts cannot be used as the sales were completed within the 10 year timeframe. Should these properties be acquired then funding will be entirely through borrowing.
- 13.8 It is difficult to estimate the potential borrowing requirement within the General Fund or the call on Right To Buy receipts as it is dependent on the uptake by leaseholders. There are a total of 32 leasehold flats within the buildings that could be bought back. Assuming a purchase price of £300k and 100% uptake, a total funding requirement of £9.6m would be required. This would be made up of £2.7m Right To Buy receipts (30 eligible properties) and £6.9m from General Fund borrowing. These funding requirements are less if demand for buyback is lower.

## **14 COMMENTS OF LEGAL SERVICES**

### **Procuring Works**

- 14.1 The Council has both the legal power and the duty to perform the works that are the subject of this report.
- 14.2 The Better Neighbourhoods Framework contracts are the result of a tender which was fully compliant with European law. The works required as referred to in this report are also of the variety included under the scope of the advert used to advertise the Better Neighbourhoods framework. Therefore, the Council is legally entitled to award this contract to Wates.
- 14.3 Also, the tender process demonstrates that the award would represent compliance with the Council's Best Value Duty. This is because the bid represents the most economically advantageous tender determined by reference to a blend of the predetermined evaluation criteria and price.

### **Recharge to Leaseholders**

- 14.4 The report recommends that leaseholders are charged the costs of the works. Leaseholders are obliged by the terms of their leases to pay a contribution towards the cost of major works. The council is also under a fiduciary duty to the council tax payers to recover money due to it. In order to recover the costs of these works, the Council must consult leaseholders on the proposed works under section 20 of the Landlord and Tenant Act 1985 unless dispensation from consultation has been obtained from the Upper Tribunal. Any failure to comply with these requirements will mean that the amount of contributions that can be claimed from leaseholders will be limited in accordance with section 20 (6) or 20(7) of the Housing Act 1985 or both.

### **Voluntary Buy Back**

- 14.5 The Council is a local housing authority within the meaning of the Housing Act 1985 and is specifically empowered to provide housing accommodation, either by erecting houses, or converting buildings into houses on land acquired by it for the purposes of Part 2 of the Housing Act 1985, or by acquiring houses.
- 14.6 The Council has the powers pursuant to section 120 Local Government Act 1972 to acquire land for the purposes of exercising the statutory housing functions contained in the Housing Act 1985.
- 14.7 The acquisitions are to be funded as stated at 13.6 above, using a mixture of right to buy receipts and general fund resources (including, potentially elements of prudential borrowing).
- 

## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE

### **Appendices**

- Annexe 1 MHCLG guidance on gas supplied buildings – Progressive Collapse Buildings
- Appendix 1 Structural Report – Wilde Carter Clack
- Appendix 2 Risk Assessment – Curtins
- Appendix 3 Commercially Confidential Financial Background, Risk and Contingency (Exempt)
- Appendix 4 – Third party roles and responsibilities
- Appendix 5 Works Programme

### **Background Documents – Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**

- NONE

### **Officer contact details for documents:**

Mark Baigent, Interim Divisional Director – Housing & Regeneration  
William Manning, THH Director of Asset Management

## **ANNEXE 1**

### **GUIDANCE PROVIDED BY THE DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT**

#### **Gas supplied buildings**

Buildings containing gas supplies need to be stronger in order to remain structurally stable in the event of a gas explosion. It is therefore recommended that you should ascertain whether buildings with large panel systems for which you have responsibility have piped gas, and if they do, you should take action to ensure that these buildings can carry piped gas safely. You should consider taking expert advice to assure yourselves of this.

Whether or not a gas supply is installed, it is important with all large panel system buildings that their structural history is known, and that their condition and continued structural integrity are understood and monitored. This should include desktop studies where necessary to establish what strengthening work has been undertaken, and to assess the original design of the building. In undertaking desktop studies, building owners may not be able to rely solely on their own records. They may also need to explore records prior to them taking ownership of the building and explore the accuracy of them. Depending on the records available and findings from non-intrusive investigations, building owners may wish to commission more intrusive forms of investigation to check condition and strength of critical connections.

The structural design of large panel system buildings may vary from building to building, even where they are ostensibly of the same original design. This means that each building needs to be assessed on its own merits. There are a number of reports available which may be helpful in understanding how to assess the large panel buildings for which you are responsible:

Further information suggests that additional investigations may be required to assess strengthening work which might have been undertaken. This does not necessarily mean that buildings of this type are structurally unsafe, but it does suggest that strengthening work may need to be reviewed, particularly where the building has a gas supply.

Building owners should already be reviewing available evidence and records pertaining to strengthening work and structural design of these types of buildings. In particular you should be considering what expert advice is required in order to assess the design, quality of workmanship and condition of the building structure, and in particular critical connection details within the overall panel system. Guidance on undertaking such assessments work is provided in the 'Handbook for the structural assessment of large panel system (LPS) dwelling blocks for accidental loading (BR 511)' which was published by the Building Research Establishment in 2012 and remains both current and relevant.

The Department recommends that these steps be undertaken as a matter of urgency, in order to provide suitable assurance to residents of the affected buildings.

Helen MacNamara  
Director General Housing and Planning  
Department for Communities and Local Government  
4th Floor, Fry Building  
2 Marsham Street  
London SW1P 4DF  
Tel: 0303 444 2686  
E-Mail: [Helen.MacNamara@communities.gsi.gov.uk](mailto:Helen.MacNamara@communities.gsi.gov.uk)

If building owners do decide that immediate steps are required to mitigate any risks, we would ask that particular consideration be given to the potential impact on any older or disabled residents and other vulnerable groups who may be affected. The Department is continuing to review the position together with appropriate experts and may issue further guidance in due course.

<b>Board of Directors</b>  25 <sup>th</sup> July 2019	
<b>Report authorised by:</b> Susmita Sen - CEO  <b>Report Author:</b> Sarah Pace Head of Business Development	<b>Report type:</b>  For information
<b>Title:</b> CEO Report	

### 1. Introduction

The start of this year has been exceptionally positive, with recognition for the progress we have made being acknowledged both through external award success and the recommended extension to the Management Agreement we hold with the Council. It has also been a very busy period, one in which we have begun work to ensure we are well placed to respond to the forthcoming changes in regulation as covered at the Board discussion meeting last month and commenced business planning for 2020, starting with a series of staff workshops. Our approach to business planning this time round is far more 'bottom up' and it is my intention to engage the Board in detailed discussions in the Autumn, after residents have been invited to have an input.

A re-cap of the key points concerning the changing national landscape, shared with the Board last month are set out below. Additionally, and in keeping with my previous reports to you, this paper provides a series of updates covering matters of strategic importance and interest from the Directorates. An update on savings and growth proposals, and the quarter one performance summary is also provided.

### 2. Recommendation

That Board Directors

- 2.1 note the contents of this report.
- 2.2 agree the target for 'right first time' as set out at 7.2

## 4. National Policy

### 4.1 Regulation

The Social Housing Green Paper heralds a fundamental shift in the regulation of social housing. At the Board discussion meeting in June we were pleased to welcome Eamon McGoldrick, National Federation of ALMOs who presented on the likely regulatory changes. A copy of the full presentation is provided as Appendix 1 and key highlights for each of the papers five themes are summarised below.

### **Safe and decent homes:**

- Potential for a new Decent Homes Standard to be introduced
- Introduction of a new building and fire safety system – draft Bill Autumn 2019:
  - Going beyond Hackitt recommendations to Includes buildings of six stories or higher
  - New building safety regulator
  - Duty holders required to demonstrate a building's safety through design and construction, and through a safety case regime during its occupation.
  - Proposals to give residents a stronger voice in the system – and ensure their concerns are never ignored.
  - Strengthened enforcement and sanctions to deter non-compliance with the new regime

### **Resolution of complaints:**

- Introduction of key a performance indicator for all landlords – satisfaction with complaints handling
- Housing regulator to utilise Housing Ombudsman data
- Greater access for residents to the Housing Ombudsman

### **Empowering residents and strengthening the Regulator:**

- Introduction of a suite of key performance indicators so that resident may compare covering:
  - Safety and quality of homes
  - Resident perception (satisfaction) with service

### **Tacking stigma and celebrating communities:**

- Least developed of all themes – Government short on ideas:
  - Celebrating 100 years of social housing
  - MHCLG social media campaign

### **Expanding supply and supporting home ownership:**

- Changes to Council Housing Finance:
  - Lifting of HRA debt caps
  - Provision of rent settlement
  - Awaiting consultation on changes to RtB regime
  - Slightly more generous grant regime
  - Expectation that sector will now help to deliver

Work is currently underway to develop a response to the Governments consultation paper, Building a Safer Future, which is due by 31<sup>st</sup> July 2019. We are contributing to the Councils response and also intend to submit a response from THH.

In preparation for the likely changes to regulation, we plan to self-assess our current position against existing and proposed standards in order that we may address any gaps prior to the new regime being introduced. The intention, in the first instance, is to share the outcome of this assessment with the Customer Experience Task Force.

## **4. Update from Business Transformation Directorate**

### **4.1 Customer Access and Experience Programme**

The Customer Access and Experience Programme is a key element of the Business Transformation Programme and consists of a number of projects. The focus is on delivering services right first time and using digital technology to improve the efficiency, convenience and accessibility of services for customers. The programme is having a positive impact on the quality of services and is delivering various outcomes that will benefit customers and make services more efficient, including:

- Over 4,700 residents have now registered on **MyTHH** and the positive trend in the number of unique visits to the site each month has continued. Over the last two years there has been a corresponding reduction in non-repair related calls offered to the Housing Service Centre of 31% between 2016/17 and 2018/19 and repairs related calls have decreased by 8%.
- **Mobile working** has been introduced, with Neighbourhood Housing Officers, Repairs Inspectors and Engineers now using mobile devices to record the results of their inspections. Work is underway to quantify the time savings arising from this project.
- **The Communal repairs** project team has continued to implement the action plan and this has resulted in a number of positive outcomes, such as increasing the percentage of communal repairs carried out right first time from a baseline of 62% in 2017/18 to 85% in 2018/19, and reducing the percentage of communal jobs that result in a recall from 19% in 2017/18 to 8% in 2018/19.
- Changes to the way **parking** applications are handled led to a 51% reduction in the volume of calls the Housing Service Centre received about parking in 2018/19 compared to 2017/18 (i.e. from 6,200 to 3,050 calls).
- The **People Strategy** has continued to support the Programme and has helped bring about a more customer focused organisation (e.g. the percentage of staff who say THH puts customers at the heart of what we do has remained above our 90% target compared to the baseline figure of 80% in Dec 2017).
- The **ASB** project built on the restructuring of the team by introducing new procedures/workflows, publishing new service standards, renewing the 'out of hours' reporting arrangements for ASB, introducing new online reporting facilities via MyTHH, and creating a new online facility for anonymous reporting of ASB. The results in relation to ASB during 2018/19 included implementing 23 Partial Premises Closure Orders and the THH police team and Parkguard issuing 2,302 warnings (only 9% of people issued with an ASB warning are coming to the attention of the ASB Team again).
- The **leaseholder subletting** project is producing positive results. New systems are in place for recording leaseholder subletting and for sharing data with the council in relation to the licensing of Houses in Multiple Occupation. Leaseholders and their tenants now receive a comprehensive information pack stating their respective rights and responsibilities. Since the start of the project 960 leaseholders have confirmed they are subletting, bringing the total number of confirmed sublets to 11.5% of all leaseholders.

The priorities for this year are:

- Implement the improvement plan arising from the Leasehold Service Review;
- Roll out the first Traffic Management Orders on estates;
- Introduce a self-service online parking application system for residents;
- Make arrangements to introduce a self-service online repairs system for residents (this is likely to run into 2020/21);
- Develop further functionality for MyTHH;

- Introduce the next phase of mobile working to cover fire safety checks and other areas;
- Continue to identify leaseholders who are subletting their home;
- Review the THH website to ensure it meets the national accessibility standards and that it is welcoming and user-friendly;
- Continue to improve customer service through our membership of the Institute of Customer Service;
- Review the Housing Service Centre operations to increase first call resolution and automate processes where possible; and
- Refresh the People Strategy in the light of the new business plan;

#### 4.2 Leasehold Services Sub-group

The leaseholder services review is approaching the conclusion of its first stage. We commissioned HQN, as well-established sector experts, to undertake an independent review of the leasehold management service. The approach included reviewing relevant policies, procedures and practices in place at THH. HQN also sought to understand what leaseholders thought of THH, and so held a number of meetings with leaseholders, and also conducted a survey which received approximately 900 responses. The findings from the review have been analysed, collated and discussed with the Leasehold Services Steering Group.

A headline report and action plan is currently being re-drafted and will be circulated to the Group w/c 22nd July. This will identify improvements that have been put in place, or already begun, and make recommendations for further improvements in the main areas of:

- improving communications with leaseholders
- improving transparency
- value for money

Once agreed by the sub-group, this will be published on our website and in our various communications with residents. The delivery of the action plan will subsequently be monitored through the Customer Access and Experience Board and reported to Customer Experience Task Force.

#### 4.3 Complaints Update

Performance for stage 1 complaints remains very positive, with the number of responses consistently exceeding the target of 90% in each and every quarter of 2018/19. Performance at the end of the year stood at 95.3%. In response to strong performance last year, the target for 2019/20 was increased to 95%. Performance at the end of quarter 1, exceeds target and continues positive trend.

Period	Stage 1			Stage 2			Stage 3		
	Count	Percentage	Trend	Count	Percentage	Trend	Count	Percentage	Trend
2018/19 Q3	214/226	95%	↑	20/27	74%	↓	4/10	40%	↓
2018/19/Q4	289/303	95%	↑	16/27	59%	↓	1/3	33%	↓
2019/20 Q1	240/251	95.6%	↑	26/41	63%	↓	1/1	100%	↑

In light of the potential strengthening of regulation in relation to complaints handling, signalled by the Green Paper, it would be prudent to commence a review of current arrangements with the Council, subject to the decision on the extension of the Management Agreement. .

#### 5. Update from Asset Management Directorate

## 5.1 Asset Management Task Force

The inaugural meeting was held on 20<sup>th</sup> June 2019 and was chaired by Claire Tuffin with the Chair and Iain Lawson in attendance. Officer support comprised the Chief Executive, Directors of Asset Management and Finance and Heads of Repairs, Property Services and Programme Delivery Manager. The agenda comprised of:

- Terms of Reference
- Presentation on the procurement of the Repairs contracts
- Presentation on the composition and progress of the Better Neighbourhoods programme.
- Forward planning

## 5.2 Joint Working Group on Fire Safety

The Joint Working Group on Fire Safety has held two meetings since its formation. The group, chaired by Simon Hart, a leasehold from the Resident's Panel, brings together members of the THH Board, Residents' Panel and wider resident representatives to oversee and help shape our response to issues of fire safety.

Since its formation, the group has received reports on a range of areas including updates on the procurement of fire doors and explanations on the types of FRAs used by THH. The group has also agreed a suite of KPI's to measure the progress being made by THH. Additionally, the group has provided input and endorsed the adoption of an engagement strategy for high rise buildings in line with the recommendations of the Hackitt Review.

The groups next meeting, due to be held at the end of July, will be hosted by the London Fire Brigade at the Milwall Fire Station. Members will consider the progress we have made in delivering actions identified against blocks, receive updates on the number of block specific information sent out to residents and explore issues related to leaseholder repayments for the installation of fire doors.

## 5.3 Repairs Procurement

Asset Management Task Force is steering the delivery of the project which is progressing well and in line with the delivery plan outlined below:

Procurement Stage	Month	Status
Agree brief with consultant/project lead	Mar-19	Complete
Appoint consultant/project lead	Apr-19	Complete
Establish Steering Group and Project Group	Apr-19	Complete
Set up the project	Apr-19	Complete
Prepare outline options appraisal including data gathering	April to May 19	Complete
Consult stakeholders/working group	May-19	Complete
Submit PIF	May-19	Complete
Finalise options appraisal	Jun-19	Complete
Tollgate submission (Procurement Review Panel)	Jun-19	Complete
Procurement Board - approvals process	July 2019	Complete
Cabinet approval	Aug for Sept 19	Outstanding
Consult stakeholders (specification input)	Aug-19	Outstanding
Prepare draft tender documents	Aug 19 – Jan 20	Outstanding

Section 20 leasehold consultation – Notice of Intention	Sep-19	Outstanding
Consider observations	Oct-19	Outstanding
<b>Procurement Stage</b>	<b>Month</b>	<b>Status</b>
Draft SQ and Contract Notice	Oct-19	Outstanding
Issue Contract Notice	Nov-19	Outstanding
Candidates submit SQ responses	Dec-19	Outstanding
SQ evaluation	Jan-20	Outstanding
Financial evaluation	Jan-20	Outstanding
Notify candidates of SQ evaluation outcome	Feb-20	Outstanding
Issue ITT	Mar-20	Outstanding
Bidders submit tenders	Apr-20	Outstanding
ITT evaluation	May-20	Outstanding
Council approvals process (subject to leasehold consultation)	June to July 2020	Outstanding
Section 20 leasehold consultation – Notice of Proposed Award	July to Aug 2020	Outstanding
Governance approvals	Aug-20	Outstanding
Notify Bidders of ITT evaluation (Preferred Bidder) outcome	Sep-20	Outstanding
Standstill period	Sep-20	Outstanding
Notify bidders of final award and provide feedback	Nov-20	Outstanding
Issue Contract Award Notice(s)	Nov-20	Outstanding
Mobilisation / demobilisation	Dec 20 - Mar 21	Outstanding
Execute Contract(s)	Feb-21	Outstanding
Contract(s) Commences	01-Apr-21	Outstanding

Arrangements for resident engagement are in place and options have been considered by both the Residents Panel on 28<sup>th</sup> May 2019 and a task and finish resident group comprising of tenants and leaseholders.

Tollgate 1 reports were approved by the Councils Procurement Review Panel on 10<sup>th</sup> July and formal approval was granted by the Procurement Board on 15<sup>th</sup> July 2019.

Immediate next steps include:

- Recruit project roles and specialist consultancy, agreed by EMT
- Commence detailed contract specifications for:
- Contract 1 - Repairs, Maintenance and Minor Planned Works
- Contract 2 – Domestic Gas
- Contract 3 - Fire Safety
- Contract 4 - Communal Mechanical Plant
- Consultation with residents on contract specification

## 6. Update from Neighbourhood Services Directorate

### 6.1 Domestic Abuse

The first round of training from SOLACE is complete with the Neighbourhood Housing Officers, Rents, Fire safety and Voids teams having attended sessions. The next sessions being planned are for the caretakers and Housing Service Centre (HSC) staff, with SOLACE also contributing to the development of a new script for the HSC. This will improve

awareness of how to handle a disclosure of domestic abuse (DA) and ensure it is passed onto the Neighbourhoods (NHDs) Team, as well as help with identification of cases. Work is also underway to consider how best to roll out awareness training to repairs staff and contractors.

We have also been reviewing our approach to DA in the workplace and have been working with Hestia who run a programme called Everyone's Business. This programme encourages employers to develop processes to ensure that staff who maybe experiencing DA receive the correct support. The programme will involve the following :

- Development of a staff policy
- Specialist training for HR staff and managers
- Development of an intranet portal for staff to access including all resources related to DA and support offered
- Free counselling service
- Specialist DA adviser
- Membership of the Employers' Initiative on Domestic Abuse

Hestia are currently developing an implementation report which will include all recommendations specific for THH.

EMT have recently agreed the creation of a Safeguarding and DA project role within the NHDs service. The role is for 12 months and will be reviewed after 8 months. The role can be funded from savings made within the NHDs staffing budgets. The role will be the lead on DA and Safeguarding work, co ordinating housing officers to ensure they are handing cases appropriately and consistently, taking forward the THH wide action plan and being our lead at key strategic partnerships.

## **6.2 Growth Bid - Police and Parkguard Services**

Board members will recall that additional Mayoral funding of £2.5 million was approved for THH across a three year period from 17/18 to help tackle asb on our estates. An agreement ( referred to as a Section 92 agreement) was developed with Mayors Office for Policing and Crime ( MOPAC) for a match funded police team of 2 sergeants and 12 constables and a neighbourhood patrol service provided by Parkguard.

The section 92 agreement for the match funded police officers ends in September 2020. MOPAC have announced that this type of agreement will not be available in the future. It will still be possible to purchase additional officers however the match funding element will not be available.

The Parkguard Service was procured from June 2018 for 2 years with a possible 1 year extension.

We are currently working on a proposal for the continuation of a dedicated police team and neighbourhood patrol services for THH managed estates. Due to match funding no longer being available this would require increased investment. We are also looking at tenant and leaseholder charging options and will include advice on this in the detailed paper that is submitted to the Council.

## **6.3 Partnership Working - Registered Providers (RPs)**

Board members may be aware that THH chair the ASB sub group of the Tower Hamlets Housing Forum where RPs come together to work on shared strategic and community issues. As part of the work of the sub group we have facilitated 3 other providers to pilot the

use of the Parkguard patrol service, following the success of the model on THH managed estates. If successful this model could develop into a joint tasking arrangement where local multi landlord hotspots are tackled more effectively going forward

## **7 Savings and Growth**

The HRA Business Plan update for 2019 is scheduled to be undertaken by Council colleagues over the summer. Until the update is completed THH are still working on the £6m savings target over five years that was set by Cabinet in July 2016; 2020/21 will be the fourth year of that target. Savings of £4m have already been identified with the final £2m to be found in 2020/21 and 2021/22.

In previous years, including in 2019/20, alongside the savings the Council have approved growth for key priority areas. These have largely been for time limited projects, for example fire safety and ASB including community development.

### **7.1 The HRA**

The budget setting process for 2019/20 included a forward look over the next four years from the business plan update in the summer of 2018. That update included the effects of various government announcements including:

- The removal of the HRA debt cap
- The cancellation of the high value voids levy
- Social rent policy post 2019/20 - a maximum increase of CPI plus 1%

Although there is a degree of political uncertainty nationally, Housing is a high priority for all the parties so it is reasonable to assume that the above policies will remain in place for the next few years.

As a result of those announcements and the savings made by THH the financial modelling in the Business Plan showed that the HRA could accommodate all the investment requirements over thirty years as well as supporting all the current and planned new HRA housing supply schemes.

The starting point for 2020/21 is thus a stable one. There are, however some emerging issues, both nationally and locally, that could have an impact on the HRA.

### **7.2 Emerging Issues**

Proposals concerning fire safety arising from the Hackitt Review and the recent Government consultation paper on the 6 June are significant and are likely to require a change of approach to building management from every owner of property over six storeys. This may have an immediate financial impact as MHCLG and the Regulator have indicated that they expect landlords to act quickly and not wait for the legislation.

Funding implications for the continuation of a dedicated police team and neighbourhood patrol services for THH managed estates are outlined above.

### **7.3 Savings options**

As we are in the final two years of the savings programme savings are becoming more difficult to identify. The savings process within THH is currently in progress and will run through to the autumn when the Star Chamber meetings will be held with budget managers

and Heads of Service. It will focus on efficiency savings not service reductions. Our approach to savings covers the following:

- Implementation of the Value for Money Strategy
- Review of budgets and outturns
- Office Accommodation
- Any remaining contingencies in the budget
- Printing and postage from implementing the new Panacea system
- Termination of the LAMAC agreement for administering the Council Mortgages
- Staff suggestions

Given the potential cost of the emerging issues it is likely that any savings generated will be required to offset those costs.

## **8 Performance**

### **8.1 Performance Quarter 1 2019/20**

Performance for the first quarter of 2019-20 is strong with almost 80% of targets being met or very close to being achieved. Additionally the trend from last year is positive against 60% of indicators across BCI and Board suites. Detail by individual indicator is shown in Appendices 2 and 3 of this report.

Areas of strong performance include:

- Income collection - rent and service charges
- Housing Service Centre
- Caretaking
- Major works - resident satisfaction and programme delivery
- Complaints and Members Enquiries

Of the indicators at 'red' status:

- Unauthorised occupancy; staff sickness; long term voids; void rent loss & major works invoices are not of immediate concern. An erratic pattern of performance is expected for these indicators and we anticipate higher performance coming through as the year progresses.
- Parking calls have significantly reduced compared to the same period last year and will reduce further as self-service permits are rolled out with the introduction of Traffic Management Orders.
- Visits to MyTHH are anticipated to increase with the development of online repairs ordering due later this year.
- Detailed analysis of customer survey data and a resident focus group being organised for later this month is being used to understand the experience of residents better and to identify further steps we can take.

### **8.2 Repairs Right First Time - Target**

One Board measure, Repairs Right First Time, has yet to have a target agreed formally by Board. A target of 83%, as stretch from last years performance of 81.5%, is recommended.



# National Policy & ALMO Sector Update

**Eamon McGoldrick**  
**NFA Managing Director**

# National Policy Update

- Social Housing Green Paper
- Welfare Policy
- Homelessness
- New Conservative Administration
- BREXIT

# Social Housing Green Paper

Five Themes:

- Ensuring homes are safe and decent
- Effective resolution of complaints
- Empowering residents and strengthening the Regulator
- Tackling stigma and celebrating thriving communities
- Expanding supply and supporting home ownership

Being developed in different ways at different times....

# Ensuring homes are safe and decent

- MHCLG talked about the possibility of a new Decent Homes Standard – we asked for Decent Neighbourhoods and funding to match.
- Hackitt Review looked at Building Safety – Government consultation out now, deadline for responses 31<sup>st</sup> July.
- NFA consulting members, organizing a roundtable discussion and asking to work with CWAG and councils to formulate a joint response.

# Building Safety Regulatory System

- Government is committed to legislating on building safety - consultation out now, draft bill by Autumn 2019.
- Call for evidence on Fire Safety Order 2005
- “A radically new building and fire safety system which puts resident’s safety at its heart”

# Building Safety Regulatory System

- Regime to covers all residential buildings of **18 metres/6 stories** or more, going further than Dame Judith's recommendations 30 metres/10 stories.
- A new building safety regulator
- Duty holders required to demonstrate a building's safety through design and construction, and through a safety case regime during its occupation.
- Proposals to give residents a stronger voice in the system – and ensure their concerns are never ignored.
- Strengthened enforcement and sanctions to deter non-compliance with the new regime.

# Empowering residents and strengthening the Regulator

- NFA took the lead with the NHF (co-chairing) and HouseMark to convene the **Consumer Standards Steering Group** as a housing cross sector group to discuss possible regulatory architecture and performance indicators – now includes The Social Housing Regulator and MHCLG.
- Consulted residents via TPAS
- Developed more satisfaction / outcome-based PI's
- Government taken on board and expecting consultation soon

# Effective resolution of complaints

- Satisfaction with complaints handling- new KPI
- Housing Ombudsman (HO) has signalled that it will change its approach in future with a view to:
  - Being more accessible to residents and landlords
  - Focusing on local resolution before doing full investigations
  - Highlighting good practice.
- There is also a strong possibility that the Social Housing Regulator will make more use of existing HO data on landlords in relation to Consumer Standards regulation.

# Tackling stigma and celebrating thriving communities

- Least well developed part of Green Paper
- Government struggling for ideas
- Picked up our proposals around the Celebration of 100 years of council housing since the Addison Act
- Kit Malthouse to address our joint parliamentary tea party with ARCH
- MHCLG social media campaign
- Interested in using our photography competition and sector's community champions.

# Expanding supply and supporting home ownership

- Changes to Council Housing Finance:
  - Lifting of HRA debt caps
  - Provision of rent settlement
  - Awaiting consultation on changes to RtB regime
  - Slightly more generous grant regime
  - Expectation that sector will now help to deliver
- Continuing financial support for first time buyers

# Welfare policy and Universal Credit

- Compounding impact of benefit freezes, benefit cap and under occupation penalty on tenants
- UC roll out continues at pace
- Some positive changes to UC policy but delay to properly managed migration “Move to UC”
- Waiting on legislation to get through parliament for pilot
- Still want improvements to whole of UC for new claims and existing claims.

# Homelessness

- Homelessness Reduction Act – looks like it is helping in some areas.
- But homelessness and use of temporary accommodation still on the rise.
- ALMOs are helping and in some areas could do a lot more.
- Still need changes to welfare policy and more new social homes to be able to let more homes to those who cannot afford the private rented sector.

# What are ALMOs doing?

- Managing 417,913 homes
  - 414,069 council owned
  - 1,969 for other social landlords
  - 1,875 in PRS
- Employing 352 apprentices
- 16 ALMOs providing homeless services
- Built 1280 homes and acquired 669 in 2018
- Expanding and rowing back on new build
- Local context is everything

# ALMOs - Opportunities

- Should be no concerns about increased regulation – we have been there before!
- Increased focus on KPI's should be an opportunity to show what we do well
- Resident engagement strategies will need review, but again this is what ALMOs do
- Well placed to help mitigate stigma
- ALMOs building increasing numbers of new homes

# ALMO - Threats

- Building Safety – must get roles, responsibilities and processes sorted
- Consumer Regulation - don't be complacent as failure could bring intervention / review. Resident perceptions will be critical
- Increased access for residents to two Regulators and the Housing Ombudsman
- Must concentrate on core services and stay aligned to Council
- New Build – why through an ALMO?

# ALMO Governance

- Evolving quite rapidly
- At least 5 Group Structures  
ALMO role demoted to second tier
- More Council control in some  
Chair appointments  
Board make up
- NFA to do some research into reasons and benefits of these changes



# New Prime Minister/Administration

- More right wing than Theresa May?
- What policies might they have for council housing and ALMOs?



# New Conservative Leader

- High Value Assets – still on statute book
- Fixed term tenancies?
- End to the HRA borrowing?
- More money for home ownership at expense of affordable rent
- Response to Grenfell?
- UC just rolls on – continued freeze to benefits?

# Horizon Scanning - Brexit Uncertainty



# NATIONAL FEDERATION OF ALMOs

[www.almos.org.uk](http://www.almos.org.uk)

[chloe.fletcher@almos.org.uk](mailto:chloe.fletcher@almos.org.uk)

[eamon.mcgoldrick@almos.org.uk](mailto:eamon.mcgoldrick@almos.org.uk)

## Tower Hamlets Homes Key Monthly Performance Indicators

## Year to date performance: June 2019

●	At or above target
●	Below target, above minimum
●	Below target, below minimum

KPI Name	Target YTD	Minimum Score <sup>1</sup>	YTD	TREND <sup>2</sup>	PREVIOUS YEAR		
					YTD Jun 2018	Year on Year Trend	Out-turn 18/19
<b>Customers</b>							
1 % of calls answered	92%	87.4%	94.2%	▼	96.2%	▼	90.8%
2 % of Complaints responded to in target STAGE 1 ONLY	95%	90.3%	95.6%	▼	93.7%	▲	93.7%
3 Complaints Escalation: % of Complaints Upheld at Stage 2	10%	10.5%	7.1%	▲		▲	
<b>Homes &amp; Neighbourhoods</b>							
4 Repairs: Appointments kept	95.0%	90.3%	93.3%	▼	93.4%	▼	93.5%
5 % of properties with a current gas safety certificate	100%	100%	100%	◀▶	100.0%	◀▶	99.97%
6 Repairs: Emergency repairs in target	98.5%	93.6%	98.7%	▲	94.3%	▲	97.7%
7 Repairs: Non-emergency repairs in target	98.5%	93.6%	99.2%	▲	96.8%	▲	98.3%
8 % of repairs completed right first time	83%	78.9%	79.8%	▲	85.4%	▼	81.5%
9 % of tenants rating the repairs service as excellent, good or fair	92%	87.4%	91.0%	▼	89.5%	▲	88.7%
10 Unauthorised Occupancy: Homes Recovered	13	12	11	▼	11	◀▶	43
<b>Organisational</b>							
11 Average time to relet empty homes - Short term (days)	22	23.1	22.8	▼	22	▼	21
12 Average time to relet empty homes - Long term (days)	35	36.8	41.2	▼	10	▼	36
13 % rent collected (of rent due)	100%	99.0%	101.0%	▲	98.0%	▲	99.1%
14 Current arrears as % of rent roll	5.30%	5.33%	4.7%	▼	4.3%	▼	4.3%
15 % of Members' Enquiries responded to in target	90%	85.5%	90.8%	▼	86.5%	▲	90.4%
16 Service charge collected	100%*	99%	104.7%	▼	95.5%	▲	91.9%
17 Major works charge collected	100%**	95%	153.6%	▼	105.5%	▲	116.4%

## Notes

<sup>1</sup> Minimum Score: Lowest value to avoid indicator showing 'red'      <sup>2</sup> TREND: Compared to previous month

\* The target for Service Charge Collection is £15.75m which means that the performance target for each month is therefore 100% of the projected collection figure for that month.

\*\* The target for Major Works Charge Collection is £5.3m which means that the performance target for each month is therefore 100% of the projected

Business Critical Indicators & Key Service Indicators  
QUARTERLY INDICATORS

Q

June 2019

		Target YTD	Minimum Score	YTD	PREVIOUS YEAR		
					YTD Jun 2018	Year on Year Trend	Out-turn 18/19
<b>Customers</b>							
1	Percentage of residents rating the HSC as excellent, good, or fair <span style="float: right;">BCI</span>	92%	87%	92.58%	92.19%	▲	90.4%
2	Percentage of residents agreeing with the statement 'THH does what it says it will do' <span style="float: right;">BCI</span>	82%	78%	81.4%	80.1%	▲	80.6%
3	Overall Satisfaction: Tenants <span style="float: right;">BCI</span>	89%	85%	88.8%	86.9%	▲	88.5%
4	Overall Satisfaction: Leaseholders <span style="float: right;">BCI</span>	73%	69%	71.6%	62.4%	▲	69.8%
5	No. of MyTHH Registrations	4617	4386	4778			
6	No. of unique MyTHH visits as a % of residents registered	50%	48%	39.0%	50.4%	▼	45.2%
7	Reduction in the number of telephone calls about parking	580	609	685	100.0%	▲	122.0%
<b>Homes &amp; Neighbourhoods</b>							
8	Satisfaction With Caretaking <span style="float: right;">BCI</span>	86%	82%	87.6%	85.2%	▲	86.0%
8a	Satisfaction With Caretaking : Tenants	86%	82%	88.2%	86.7%	▲	89.0%
8b	Satisfaction With Caretaking : Leaseholders	86%	82%	85.9%	80.9%	▲	78.1%
9	% of residents satisfied with the service provided by the caretaker	92%	87%	93.6%	94.6%	▼	93.4%
10	% of residents satisfied with the neighbourhood	88%	84%	86.1%	84.0%	▲	85.1%
11	ASB: % of cases successfully resolved	95%	90%	98.6%	79.5%	▲	90.9%
12	ASB: % of residents satisfied with handling of ASB	55%	52%	44.0%	50.7%	▼	44.9%
13	Reduction in the number of telephone calls about repairs	25200	26460	24757			
14	% of communal repairs completed right first time	80%	76%	87.2%	86.4%	▲	85.1%
15	Major Works Programme Delivery <span style="float: right;">BCI</span>	86%	82%	107.2%	127.4%	▼	89.4%
16	Major Works Invoices Issued <span style="float: right;">BCI</span>	30	29	22	26.7%	▲	67.5%
17	Percentage of residents rating capital works as excellent, good or fair <span style="float: right;">BCI</span>	80%	76%	94.7%	86.1%	▲	85.2%
18	% of 9 High-rise blocks with Fire Risk Reduction to Tolerable works completed <span style="float: right;">BCI</span>	9	9	0%			
19	% of eligible blocks with an up to date Fire Risk Assessment in place	100%	95%	100%	100.0%	◀▶	#N/A
20	% of contractor schemes subject to additional health & safety monitoring	0%	0%	3.1%			
<b>Organisational</b>							
21	Void Rent Loss as % of Rent Due <span style="float: right;">BCI</span>	0.4%	0.42%	0.44%	0.4%	▲	0.4%
22	% of managers trained in health & safety	100%	95%	76%	0.0%	▲	174.1%
23	People Strategy: Staff positively rating "Residents are at the heart of what we do"	90%	86%	90.9%	84.0%	▲	92.0%
24	Average Days Staff Sickness	8.0	8.40	10.3	9.7	▲	9.5
25	% of Agency Staff	15%	15.8%	12.5%	12.8%	▼	16.8%
26	Staff Turnover	10%	11%	2.4%	2.7%	▼	11.2%