

Title: Chief Executive's Report	Meeting Board	
Report authorised by Chris Creegan, Chair	Date of the meeting 29 September 2010	Item No. 6
Report author Gavin Cansfield, Chief Executive	Classification Open	Report type: Discussion
<p>Business Plan Objective:</p> <p>The 2010-11 Business Plan sets out four key deliverable categories:</p> <ol style="list-style-type: none"> 1. Residents first: insight, diversity, engagement and influence 2. Excellence first: delivering great customer care 3. Homes first: delivering decent homes and neighbourhoods 4. THH first: building partnerships, capability and spending wisely 		
<p>Financial Implications:</p> <p>There are no specific financial implications of any of the decisions that the Board is being asked to make in this paper.</p>		
<p>Risk Management</p> <p>This Strategy relates to a number of items on the strategic risk register, and forms part of the mitigation plan for them. They are:</p> <ol style="list-style-type: none"> 2. Outside Political and/or Regulatory Change 3. Making a Difference 4. Financial Sustainability 5. Organisational Coherence 		
<p>Linkages to Strategies</p> <ul style="list-style-type: none"> ▪ Customer Access Strategy; ▪ People Strategy; ▪ Resident Engagement Strategy. 		
<p>Summary</p> <p>This report updates Board members on:</p> <ul style="list-style-type: none"> ▪ Connaught ▪ STATUS Survey ▪ Staff Survey ▪ Management Accounts ▪ Governance Development ▪ Summary of THH Resident Panel progress ▪ Decent Homes Pilots – Extension ▪ Latham House ▪ Diversity 		

- Caretaking
- Project Deep Clean

Recommendations

Board members are asked to **note** the contents of this report.

1. Connaught

Board Members received a number of briefings [there were 9 emails in total] regarding the situation with Connaught. These commenced on 28th July with the initial media reports on possible difficulties for the business and the last being sent on Friday 17th September 2010. As Board Members are aware Connaught are responsible for two of the four Decent Homes Pilots and provide grounds maintenance.

The 17th September note stated that:

- Following the announcement that Connaught had gone into administration there were a total of 35 properties on the two Decent Homes pilots they were working on were identified as being partially completed. One of our existing maintenance contractors, MITIE (formerly EPS), was mobilised within 24 hours to complete 'emergency works' in all of these properties. Typically works included ensuring all electrical works were safe, that residents had heating, hot water and washing facilities and provided with a kitchen base unit and workspace.
- As the details of the administration process emerged colleagues from the Legal Team at the Council considered and then authorised an 'in principle' novation of the two THH contracts to the Lovell Housing Partnership who acquired part of the Connaught portfolio. This means that they will take on the responsibility for the entire contract, in legal terms an 'ab initio,' and will be treated as if they had been the original contractor at the commencement of the works. This ensures that THH will be covered for all the works carried out by Connaught to date.
- Constructive meetings have been held with the senior Lovell management team to agree operational and commercial terms moving forward and they have taken on the existing Connaught operational team, as well as the key sub contractor on both sites. This has ensured the necessary continuity required both in the works delivery as well as the link with the residents.
- Lovell have already mobilised to site – they have removed the existing Connaught signage as well as making the site

operational whilst using the existing set-up, again avoiding further delays.

- Various health and safety requirements are being put in place and it is expected that work will begin inside residents' flats on Wednesday 22nd September.

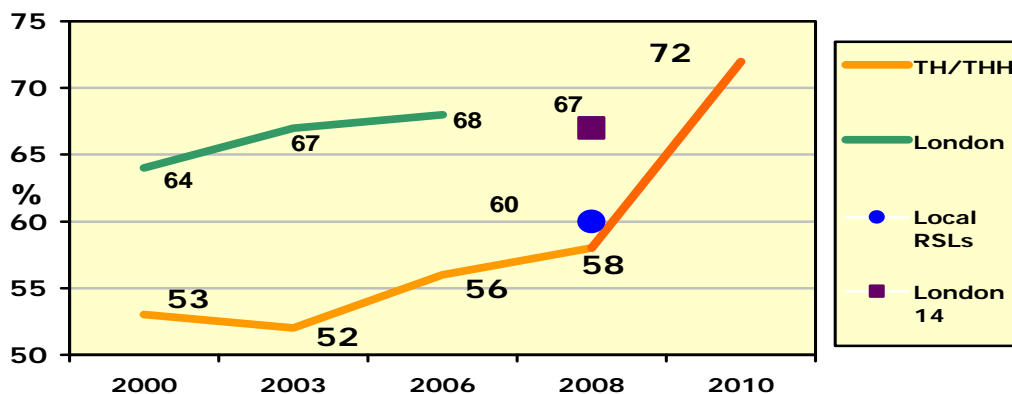
As stated in the final note this situation demonstrates that we have been able, with colleagues at the Council, to minimise the disruption to customers and the risk to the business.

In terms of grounds maintenance this part of the business, which was formally Fountains, has been subject to a management buy out and now operates as a separate operation. We understand that they are looking at issues of branding, which they want to resolve quickly, and we are meeting them on a fortnightly basis to minimise disruption to the service.

2. STATUS Results

2.1 Tenant Satisfaction

The STATUS survey of tenant satisfaction has been a statutory responsibility since 2000 and Tower Hamlets has undertaken 5 surveys in this time. Satisfaction has incrementally improved by 5% up to 2008 at which time 58% of residents reported that they were satisfied. The result this time is a 72% satisfaction rate – a 14% increase over a two year period which is a result that should provide the Board with some validation that we are making progress in service improvement. According to Ipsos MORI using their 'Frontiers' profiling of population and demographics, Tower Hamlets Homes should achieve a satisfaction score of 63%. Our current result of 72% is 9% above what we would have expected.



Significant highlights from the 2010 survey compared to 2008 include:

- Tenant satisfaction with services has risen by 14% from 58% to 72% since THH was formed in 2008;
- Satisfaction has risen in both the BME and non-BME communities although BME improvement has been slightly slower;
- Satisfaction with support to vulnerable tenants up 15% to 50%;
- 67% of tenants were satisfied with the neighbourhood, up from 58%;
- Rubbish and litter remain the single most important problem which concerns residents up 6% and affecting 9 out of ten tenants;
- 66% of tenants were satisfied with the quality of their home an improvement of 12% in two years;
- 59% of tenants were satisfied with the general condition of their home, up 12% on 2008;
- Tenants were more satisfied with cleaning than with maintenance of green areas, 74% as compared to 58%;
- 71% of tenants were satisfied with the repairs service an improvement of 6% in two years; and
- 61% of tenants are satisfied that THH takes their views into account, up from 51% in 2008.

Although the majority of results across the survey have improved there are issues that tenants clearly have drawn to our attention for improvement. Contact and getting hold of the right person is difficult for some tenants – 31% saying that they experienced difficulty and 5 % more tenants said we were unable to deal with their enquiry than previously. BME satisfaction with repairs has fallen slightly and this needs to be investigated, together with why BME satisfaction has improved but at a slower rate. The full results of the survey are currently being considered to identify the actions to be taken in response.

2.2 Leaseholder Satisfaction

The leaseholder survey was completed just as the Board Papers were been completed and below are some initial headlines:

- Overall satisfaction with services provided by THH - 44% [32% in 2009] which represents a 38% improvement;
- Value for money of service charges - 24% [19% in 2009]
- Three most important to issues for leaseholders:
 - VfM 68% (up from 63%)
 - Repairs 62% (up from 54%)
 - ASB 58% (up from 47%)
- Contact - 80% of respondents had contacted THH in the last 12 months, reasons:
 - Repairs 32%
 - Service Charge 32%
 - ASB 12%

- Ease of making contact:
 - Easy 35% (up from 33%)
 - Difficult 43% (down from 46%)
- Repairs - Satisfaction 39% (up from 26%), Dissatisfaction 44% (down from 46%)
- Satisfaction with caretaking - Cleaning 54% (up from 42%)
- Views into account - Satisfied views taken into account 34% (up from 26%)

It is clear that the progress seen in the tenant survey is also being seen in the leasehold survey. It is difficult to find comparative information on leasehold satisfaction but in 2009/10 Newham achieved 25% and Hounslow 32%. I will over the next few days start filtering the results to see how different groups and areas are affected, and also run the results alongside the tenant information.

3. Staff Survey Results

Over the summer, we commissioned a comprehensive, externally-run survey to seek staff views across a range of 74 questions covering employee engagement and satisfaction, communications, customers, reward & recognition, individual performance, line and senior management, perceptions of THH, life work balance, and diversity. 55% of staff took part, and the outcomes of the survey were considered at Organisational Development Committee this month.

The results, which were benchmarked against a range of other housing organisations, were mixed and probably reflect the stage of our organisational life. In the basket of questions about employee engagement, 66% of staff gave positive responses, which is at the top end of the lower quartile; on job satisfaction and line management scores were close to median. ODC reflected that staff currently have a stronger personal 'contract' with their line manager, and less with the organisation at this stage of our development.

We had high scores for some of the specific areas we have prioritised in the first two years of the organisation's development, such as staff being aware of our long term goals, the staff conference, and the staff forum.

The action plan emerging from the survey will highlight:

- our approach to reward and recognition at a time when the national psychological 'contract' in public services is likely to change;
- the development of talent - moving to a position where development opportunities are valued far more by staff;

- a more comprehensive approach to induction, especially in an organisation where some staff have been in similar roles for over 20 years;
- a continuing focus on communication, especially between teams and directorates;
- continuing work on our sense of what it is to be a manager at Tower Hamlets Homes and the management of performance; and
- continuing work on staff diversity, developing earlier analysis of turnover and workforce satisfaction that highlighted issues around women and disabled staff.

4. Finance Matters

4.1 Management accounts

It is axiomatic that strong budget discipline is important in any environment but it is especially relevant now as we, and all publicly funded organisations, prepare themselves to operate with less financial resources in the future. There are two dimensions to our current financial position worth reporting here – the core or company position and the HRA delegated position.

Our core budgets are operating well within target as a result of tight control with regard to staffing and agency spend and positive effects from moving some of our SLAs from fixed pricing to transactional pricing. However, the HRA delegated forecast as at July 2010 disclosed a potential overspend of £1.4m. The main cause of the forecast overspend was that over-ambitious non-residential income budgets were set for 2010-11. Therefore, it is important to highlight that this is not a problem solely borne of lack of expenditure control. Clearly this is a concern to ourselves and to the Council and as a result an action plan was developed to bring this back in line with the agreed budgets. We have shared this action plan with the Council and we know that they have some concerns around the deliverability of the action plan but we feel that the plan is robust and fit for purpose and we will be proceeding on that basis.

Clearly Finance and Audit will continue to monitor this situation closely, the above results are the situation at the end of Q1 which allows a number of months for corrective action, and the Board will have oversight of the situation. The August 2010 Management Accounts show an improvement in the HRA delegated position before the impact of the corrective action and the Finance & Audit Committee will scrutinise the position as it does on a monthly basis at its meeting on 28 September 2010. The results at the end of Q2 will be a critical milestone and Finance and Audit will need to consider escalation of issues of the corrective action does not have the expected impact.

4.2 Repairs procurement

The procurement of repairs contracts is now at the tender evaluation stage and integral to this were a series of bidders challenge sessions where the four resident members of the evaluation team met the bidders and had an opportunity to directly ask the potential contractors questions and evaluate the responses received. The bidder challenge sessions were held in the Keddestone TRA Community Centre.

5. Being Resident Led

Board members will be aware that we have commissioned Campbell Tickell, who provide our Governance Support, to consider a number of questions for the development of the Board and, in particular, what being resident led would look like and what examples of good practice there are in this area. We have now received a first draft of the report which has been discussed with CT and this will be presented at the Board Forum in October as planned.

I thought it would be helpful to share a couple of the themes and issues arising from the work to date:

- Part of the challenge is clearly the notion, implicit in the brief, that there is one resident voice – we know that the number of engaged residents is likely to remain small, around 5%, and that the 95% are the silent majority. Who is leading, is it the engaged 5% or the unengaged 95% and how does a Board ensure that there are the checks and balances in place to navigate this;
- Evidence does not suggest any link between an organisation having a Resident Chair, impacts on performance or ensures that the organisation is resident led. It does suggest, however, that the Chair should be the best person for the organisation at that time;
- The Board having a clear sense of purpose and direction is critical and this will clearly link to the work we have commissioned from the Chartered Institute of Housing also for discussion at the October Board meeting;
- There should be some 'scrutiny' role for residents – this is our residents panel;
- There needs to be clarity about the relationship between the Board and the Panel:
 - how do they report to each other;
 - do they meet; and
 - how do they influence each other
- The scrutiny role of the Panel requires some thought as to how the Panel is connected to, exchanges information with, and is accountable to the wider 'less engaged' residents in Neighbourhoods – the wider body of customers who should be driving our services and improvement;

- In terms of the Panel – do they see their role as ‘translators’ of information; taking information and interpreting it to provide a combined resident view on how the business is developing; and
- The Board needs to be clear about how it ensure it knows residents
 - Are there informal sessions before Board Meetings?
 - What information do the Board get to tell them about profiles, satisfaction, trends and how do they use this to inform their thinking.

Given the issues raised and the clear connections with the Residents Panel it is proposed that we ask CT to present to the Residents Panel in October to ensure that they have an opportunity to comment prior to the Board Forum and are part of the emerging discussions on the relationship with the Board.

6. Summary of THH Resident Panel progress

Further to the above item Board members will be aware of the establishment of the Residents Panel and this note provides an update with progress to date. The Panel held its first informal meeting on 19th May 2010 and first formal meeting on 22nd June 2010. It now meets once a month supported by the Head of Engagement and the Governance Team [taking of notes].

The Panel consists of 15 resident members with a resident chair, secretary and treasurer. The membership was selected through an open advert and interview.

Purpose of Panel:

- to improve the quality of the services delivered and/or managed by THH;
- ensure a consistency of communication and engagement in the formal and less structured opportunities;
- establish a two way exchange of information between them and the Service Improvement groups;
- support the Service Improvement groups to impact on their service area and help resolve any lack of action;
- ensure early resident involvement in large service reviews; and
- report regularly to the THH Board on the impact of resident engagement.

Early activities included:

- attending a Saturday induction day to discuss the full engagement offer (including budgets, THH structure, staff roles, THH priorities and the Panels role and purpose);
- agreeing the Terms of Reference and Code of Conduct;

- discussing the draft engagement strategy and engagement agreement; and
- community building strategy, decent homes pilots, estate services review.

Decisions:

- To support the Engagement Strategy and Engagement Agreement;
- To ensure that it invests in its own development to ensure it becomes a strong, effective and sustainable Panel; and
- An ambition is to be the lead body for resident led scrutiny and co-production.

7. Decent Homes Pilots - Extension

Last financial year the Council decided to allocate an additional £2m for Decent Homes works; monies that had previously been allocated to a project that was unable to spend. We submitted a number of options for this extension to the programme and can now report agreement on which properties are to be included. They are:

Location	Unit No's	Works Cost
1-60 Colverson House	40	£480,000
1-19 Becket House	16	£192,000
1,3-40 Jarman House	21	£252,000
1-19 Wingrad House	19	£228,000
1-24 Armsby House	8	£96,000
Pauline House	53	£636,000
Total Works Cost		£1,884,000
Fees		£161,645
Total Cost		£2,045,645

The majority of these properties are part of the Sidney Estate North in Stepney where we have been working on Wexford and Mayo House; the blocks that some Board Members visited prior to the July meeting. Those works were carried out by Apollo who will be the contractor for the additional properties. Pauline House is part of the Chicksands neighbourhood and these works will be carried out by Lakehouse who are going to be working on Lister and Treves.

8. Latham House

We have now received formal notification that the transfer of management of Latham House, 93 units in a 16 story block in Stepney Wapping will take place from Family Mosaic to THH on Monday 4 October 2010.

We have worked closely with both Family Mosaic and the council to ensure that the transition to THH is a constructive experience for residents and are fully prepared in terms of IT and staff requirements for the new properties. The block has been included in our 10% stock condition survey and was already included in the original Decent Homes bid. The block is currently served by a concierge contract which THH will maintain until year end and include in our consultation regarding the provision of concierge services.

There have been three joint public meetings for residents of Latham House in the run up to hand over and have developed a 100 Day Action plan which will commence on 4 October. This includes individual visits for every resident from their new housing officer and a deep clean towards the end of October.

9. Diversity Update

We ran the second diversity roadshow last month and briefed 198 staff in total. We focused on two types of information we keep about residents - one helping us to equality map and check our services are fairly provided, the other type capturing individuals' needs. We used the phrase 'Know Before You Go' - a phrase coined by a member of the Diversity Working Group last month - to summarise the idea that we should get used to checking and responding. There is also a focus on data collection including the improved forms we have just introducing as a result of working with the Staff Forum. We also used the roadshow to gather names for a register of staff language skills [Bengali to Hungarian to Yoruba] - language was one of the most common accessibility barriers mentioned by staff during the roadshows.

10. Caretaking

In the Chief Executive's Report to the July Board Meeting there was an update on the progress with the review of repairs. We have also been applying 'lean thinking' to the caretaking service with a project on the Collingwood – Project Colin. Through the project we identified that residents were looking for the following:

- keep where I live thoroughly clean and smelling fresh, inside and out including windows;
- ensure that my neighbours feel a similar sense of duty and obligation;
- stop littering/dumping;
- maintain the grounds and the lighting, etc;
- make it convenient to dispose or recycle waste;
- respond quick and effectively if I make contact;
- ensure communication is acted on by other service deliverers; and
- charge me accurately.

Having identified these principles we then looked at what was happening on the ground;

- we learned that around 20% of caretakers' time is being spent on dumped rubbish bags and related rubbish tasks. Over 700 bin bags alone were removed from communal areas over a two week period;
- working with the TRA we carried out door knocking exercise to every flat on waste enforcement. Each letter was hand delivered in English and Bengali and addressed to the resident personally. The TRA said they wanted us to take action on people who dump their waste, so we are;
- with the letter we also used a red card/yellow card poster in both languages and using the existing rechargeable policy in place and created an income account to utilise any funds from this to be reinvested in the local community;
- created new performance measures, end to end time of all tasks, value and failure data capture, bi-weekly satisfaction for scores out of ten; and
- supplied caretakers with the tools they have asked for to do their job, new trolleys, hose pipes, smelling gel.

Caretakers decided to test the new method of working for the first two weeks and to start capturing data during this period. They will work in pairs, derive a schedule for each block together, clean what needs cleaning and to ask whether they have achieved purpose on each block.

11. Deep Clean Programme

A Deep Clean programme started on Wednesday 11th August 2010 and will see all common parts of blocks deep cleaned to provide a baseline environment which can then be maintained to a high standard. A specification for the deep clean was completed, and existing contractors were invited to bid for the project within their current contracts. K&K Industrial and MITIE were the two most competitively priced and to engage residents and to demonstrate value for money, a "Clean Off" was held where contractors competed against each other and deep cleaned two identical blocks Studland House and Allonby House on the Ocean. Residents from both blocks and the Environmental Services Resident Improvement Group were involved in assessing both the qualitative and quantitative aspects of the finished product.

This is an opportunity for us to focus and drive through coherent and joined-up tenancy enforcement and engagement. To facilitate the "deep clean" the Neighbourhood Housing Officers will be implementing the tenancy/enforcement procedure removing all

residents' belongings in the common areas of a block. After the deep clean, Housing and Resident Engagement will arrange meetings with residents by neighbourhood to begin the conversation with residents on joint responsibilities and to ensure that residents are aware of their tenancy obligations and their obligations to keep communal areas clear and maintained to an acceptable standard.