

MINUTES OF OVERVIEW AND SCRUTINY COMMITTEE

Wednesday, 13 March 2024
(7:03 pm)

Present: Cllr Glenda Paddle (Chair), Cllr Dorothy Akwaboah (Deputy Chair), Cllr Andrew Achilleos, Cllr Donna Lumsden, Cllr Ingrid Robinson, Cllr Phil Waker and Cllr Mukhtar Yusuf;

Also Present: Cllr Saima Ashraf

Apologies: Cllr Paul Robinson, Cllr Muazzam Sandhu, Glenda Spencer, Sajjad Ali and Richard Hopkins

36. Declaration of Members' Interests

There were no declarations of interest.

37. Minutes - To confirm as correct the minutes of the meeting held on 24 January 2024

The minutes of the meeting held on 24 January 2024 were confirmed as correct subject to changes to be made below:

Be First Comments

The Interim Director of Strategic Growth addressed the Committee, advising that despite difficult economic times, delivering inclusive growth remained a priority for the council in order to facilitate improvements and changes needed across the borough. Be First would need to explore new markets/opportunities and conversations were ongoing to work in partnership with patient capital investors, strengthen relationships with the voluntary sector and bring forward schemes of various sizes, scales and needs.

Be First had been successful in securing grant funding, piloting central government pathways, particularly within the net zero sector, and fostering relationships with the City of London, Hackman and Thames Freeport and the Greater London Authority to unlock funding and grow areas with increasing commercial investment.

Members noted that the dividend's importance for the next financial year's budget has been recognised and modelled in.

Reside & Asset Review Comments

In response to a question regarding the potential disposal of assets as a new way of building revenue for BeFirst, the Committee were advised that out of the total borrowing, just under ca £280-300 million was from the HRA, which would not be part of the asset disposal; however, the market price of the housing stock (16,000 units) would more than cover this amount. There were currently no plans for a full disposal of assets. The Committee noted that the council was currently conducting an asset review and this would be reported on in due course.

The majority of the Council's borrowing had gone into Reside properties, with just

over £800 million in long-term borrowing. These properties were generally delivering good and safe returns, as per the Reside business plan models. While fluctuations were expected, the Council is carefully monitoring the situation.

The Council was also continually reviewing its commercial holdings, as the Council and its subsidiary company (Be First) had undertaken borrowing for commercial land and redevelopment opportunities, specifically in terms of road infrastructure.

38. Compliance Progress & Update Report

The Strategic Director of My Place and the Cabinet Member for Community Leadership & Engagement presented the Compliance Progress & Update Report.

Good progress had been made in all six areas of Statutory Compliance since last year. The Council was still engaging with the regulators with the expectation of having a regulatory notice removed within the coming months. There were two outstanding areas outstanding which were the completion of a five-year portfolio wide electrical inspection program, and the completion of remedial actions following Fire Risk Assessment (FRA).

The five-year portfolio electrical inspection program was ongoing. High-rise, high-risk properties and communal HRA properties across the borough had been successfully tested. The low-rise, low-risk domestic testing program were still outstanding with the expectation that it would be completed ahead of schedule by in December 2024.

The Council employed Savills to inspect property blocks throughout the Borough. Savills would provide a list of remedial actions that would need to be completed for the property blocks to be deemed safe in terms of FRA. Some actions were costly such as the replacement of fire doors and bin stores. The Council had mitigated wherever it could, with an agreement with Savills, create a planned program once all inspections across the borough were completed. It was estimated that the fitting of fire doors would be completed within the next three years.

There were two intensive action plans signed off including training and awareness guidance that were given to members. A new enhanced compliance structure within the Council would provide a focus on resident's safety activities as well as a robust response to residence. The new service structure was aimed to provide physical and psychological reassurance to residents around safety.

In response to a question asked by the Committee regarding the certificates for Lifting Operations and Lifting Equipment Regulations (LOLER), the Strategic Director of MyPlace confirmed that all certificates were now in place. The Water Hygiene assessments were also completed and were compliant.

Concerns were raised by the Committee regarding the hygiene of water in some property blocks as well as potential gaps in repairs. The Strategic Director reassured the Committee that certificates would not be issued if water hygiene was not physically tested. Non-operational lifts would not be tested for safety and therefore would not receive a certificate. Any repairs of broken doors and windows would most likely be included on the list of remedial actions created by Savills and would be incorporated in the planned program. There were some re-occurring access issues across property blocks that had prevented inspections from taking

place.

A question was asked around the use of Artificial Intelligence (AI) in verifying certificates. The Strategic Director of My Place explained that the Council was using a true compliance system. The system had been tested and found to be around 95% accurate.

In response to a question regarding the Underground Refuse System (URS), the Director of MyPlace informed the committee that the Council managed the URS bins, however the London Borough of Tower of Hamlets were responsible for the waste collection.

39. BDMS Update report – Responsive Repairs Performance

The Strategic Director of MyPlace, the Cabinet Member for Community Leadership & Engagement, and the Chief Executive of Barking and Dagenham Trading Partnership (BDTP) presented an update report on BDMS Responsive Repairs Performance.

The report provided an update on the Key Performance Indicators (KPI's) achieved during November 2023 to January 2024. There had been improvements in the BDMS service delivery, however there were still many areas of underperformance and low productivity.

The Council started from a low significant investment to BDMS. However, BDMS needed additional funding from the Council to get its services to the point in which it needed to be, while ensuring the Council was getting its value for money.

There was an increase in the use of sub-contractors within the past year which were expensive and unsustainable to maintain. There was also a need to have motor skilled operatives who would have an understanding in the more complex work.

Although there had been improvement to the services provided by BDMS within the past year, the Council needed to reconsider the cost it took to reach the juncture, and any further costs to continue the improvement of the services. There was a question on whether the current model was the right model for the Council or, whether the Council should look elsewhere at other providers. The current intention was for the Council to enter into a two-year contract with BDMS.

There Committee questioned the intention of the Council entering a two-year contract with BDMS, despite the suggestion of the model not being the right fit for the Council. The Chief Executive of BDTP informed the Committee that there was a 12-month program of activity centered around productivity scheduled to commence in the next financial year. It was suggested for strategic objectives to be set in which BDMS would aim to achieve. There was a gradual improvement over the last 12 months in which sub-contractors played an important role at the start of the year to remove legacy work, however BDMS were now moving onto multi-skilled work from within BDMS. It was expected that there would be continued improvement over the next 12-months of the program of activity. BDMS had

prepared several options if underperformance were to continue over the next 12-months. The options had been presented to the Shareholder Panel in September 2023.

In a previous report, there was expectation to have an estimated average of 3000 open jobs. However, it was reported in September 2022, that there were around 5800 open jobs, which had increased to 6500 open jobs within the current report. The Committee enquired why there was an increase in open jobs despite improvements made within the BDMS service. The Chief Executive of BDTP clarified that at the start of 2024, there were 6474 open jobs and from the 7th March 2024, the current number of open jobs were reduced to 2838.

It was noted from the report that there were issues with damp and mould throughout the Borough. A question was raised on the policies and procedures in place for dealing with damp and mould. The Strategic Director of My Place explained that there were robust procedures in place for dealing with damp and mould with specific teams to deal with damp across the Council and BDMS. There were defined timelines for dealing with damp and mould with inspections taking place within 10 days of being reported. It was expected that the first steps of preventive measures would be taken during the inspections. A report would be submitted which would set out the diagnostics of the job in which the team would carry out repairs. It was stated that although the repair job would be closed, the case would be kept open by the Council and checkups would be carried out after six months. BDMS's turnaround for dealing with damp and mould was an average of 15.5 days with an estimated 2000 damp and mould jobs completed last year.

The cost of service for BDMS was high due to the use of sub-contractors to remove the backlog of legacy work. The use of sub-contractors had slowly reduced throughout the year; however, it was inevitable to use sub-contractors for more complex jobs. There was a fragmented workforce in which workers were partially employed by the Council, BDMS and other agencies. The fragmented workforce had work against BDMS as there were difficulties to work as one unit partly due to the difference in best interests between BDMS and union members. To encourage cohesion between the workforce, it was suggested to get all workers to work towards the same performance targets.

The Committee inquired on whether a lack of multi-skilled workers contributed to the issues that BDMS faced. The Chief Executive of BDTP informed the Committee that BDMS were recruiting through apprenticeships for all primary trades. It was expected that apprenticeships would first focus on a single specialism before introducing other skills. There were multi-trade requirements in the productivity agreement with BDMS workforce. Improvements needed to be made at the contact centers to ensure there are correct allocations of work and minimize follow-up jobs while increase the number of first-time fixes.

There needed to be a cultural change within the workforce of BDMS to deliver a better service. Workers tended to stick to one trade despite being skilled in many trades. There was also the challenge of the different terms and conditions within the fragmented workforce with workers having different employment contracts.

There had been positive feedback from Unions that welcomed and would support progression. The productivity agreements would ensure that all workers would have the same expectations of the service.

Over the last 18 months, there were consistent failings in some of the BDMS services, specifically in customer services which although it had improved, it was still below the 80% target. The current customer satisfaction for 2024 stood on average at 74%, which was 4% over the London benchmark.

The Committee raised concerns around the Void turnaround times which had been missed. At the start of 2024, there were 163 reported Voids, as of the time of the meeting (13 March 2024), the number of reported Voids were reduced to 39. The Chief Executive of BDTP updated the Committee that the turnaround time in 2023 averaged at 61.5 days which had since reduced and average at 32.8 days in 2024. The legal disrepairs started at 221 cases in April 2023 which had since reduced to 108 cases as of 7th March 2024.

The Council had the second highest repair maintenance cost per housing unit across the three other London Boroughs at £4235. The average benchmarked unit cost across the four London Boroughs was £3,707. The 23/24 forecast indicated a further rise to £4903 per housing unit. The Strategic Director of MyPlace explained that the lower rent incomes from the HRA had impacted the maintenance cost.

BDMS had reviewed all contractors at the start of the year. Several contractors were identified for underperformance which had since been removed. There was a misinterpretation between the fragmented workforce, WeFix and, other agency operatives that only certain contractors work on HRA properties. WeFix operatives were currently paid by the Council and not by BDMS as an organisation. Collaboration into a single workforce was critical for growth of the service which would ensure the workforce were paid fairly and to employ more staff.

The Committee inquired on the number of jobs that BDMS had undertaken from Reside. In answer to the inquiry, the Chief Executive of BDTP advised the committee that it came down to the value of money. It was hoped that the program moving forward would put BDMS in a better position with Reside.

Work needed to be undertaken to improve how the contact center engaged with residents. A suggestion was made to review the use of technology to ensure it was used the right way while not being completely reliant on technology. Work was being carried out to improve the diagnostics of the contact center to ensure there were more first-time fixes.

Between 2019 to 2023, the Council paid £31.5m to BDTP, the Committee raised a question on whether the Council would recoup its costs if the contact between the Council and BDMS were to be extended. The Chief Executive of BDTP explained that active conversations were taking place with the Councils Financial Officers regarding the forecast of payments back into the Council. There was a focus to achieve a positive surplus within the next coming years.

The committee asked if an internal survey was carried out within BDMS to further understand the opinions of the workforce. A bi-annual survey was circulated to all

workers of BDSM. Feedback from the surveys were circulated to colleagues across the service.

The Committee proposed and resolved to approve the following recommendations:

1. A review into the efficiency of BDMS to be undertaken and presented to the Committee early in the new municipal year.
2. An independent review to be undertaken on BDMS ascertain a greater picture of how it is working to be presented to the Committee early in the new municipal year.

(Standing Order 7.1 (Chapter 3, Part 2 of the Council Constitution) was extended at this juncture to enable the meeting to continue beyond the two-hour threshold).

40. Work Programme

The Committee noted the work programme.