Confidential

Barbican Estate Office Review

Stage 2 Report – Options Development and Recommendations

Altair

Report Date
February 2023

Contents

Introduction

Scope, context and objectives of the review

To provide further context, details are provided below on the scope, background and key objectives of this review.

Purpose	The **purpose** of this project is to undertake an independent and detailed critical appraisal of the current services provided by the Barbican Estate Office (BEO) and identify ways to improve the cost efficiency, overall effectiveness and value for money of the services provided to Barbican residents. In addition, the landlord (City of London), is seeking to deliver required efficiency savings against the Landlord's Account.
Overview and scope of the project	The **scope** of the review is limited to the Barbican Estate Office and covers: • value for money, service charges, supervision and management costs, efficiency savings, cleaning – costs and level of service • the role of the Car Park Attendants • provision of services in-house v externally • processes and procedures, including use of technology, performance management, collaboration with residents • the organisational structure of the BEO considering all the above • provision of services to the BEO from the Corporation
Specific drivers which the review is intended to address	There are a number of **specific areas** that the review needs to address. These include: **Financial** • ability to demonstrate value for money • increasing service charge costs, • overall supervision and management costs of the BEO • required efficiency savings on both the Landlord's Account and Service Charge Account **Ways of working** • across roles within the BEO • effectiveness of current policies and processes • approaches to performance management • collaboration with residents
Objectives of this review	• Complete a detailed critical appraisal of the current service provided to residents focussing on the eight drivers identified above, including costs, structures, benefits, outputs and activities • Gain the views of residents, staff and other key stakeholders • Provide insight into how others in the wider housing and local authority sectors are addressing similar issues and provide example of best practice (taking account of the uniqueness of the Barbican Estate). • Identify and develop recommendations for improvement
Outputs from this review	• Delivery of the scope of works within the identified timescales • Detailed critical appraisal of the current services provided by Barbican Estate Office • Options for improvement • Final report and action plan, including recommendations for improvement, impact of changes required on residents, staff and any key stakeholders, cost implications, expected measurable benefits

Stage 2 - Introduction

Altair has been commissioned to undertake an **independent review** of the **efficiency, cost effectiveness and value for money** of services delivered by the Barbican Estate Office to residents of the estate.
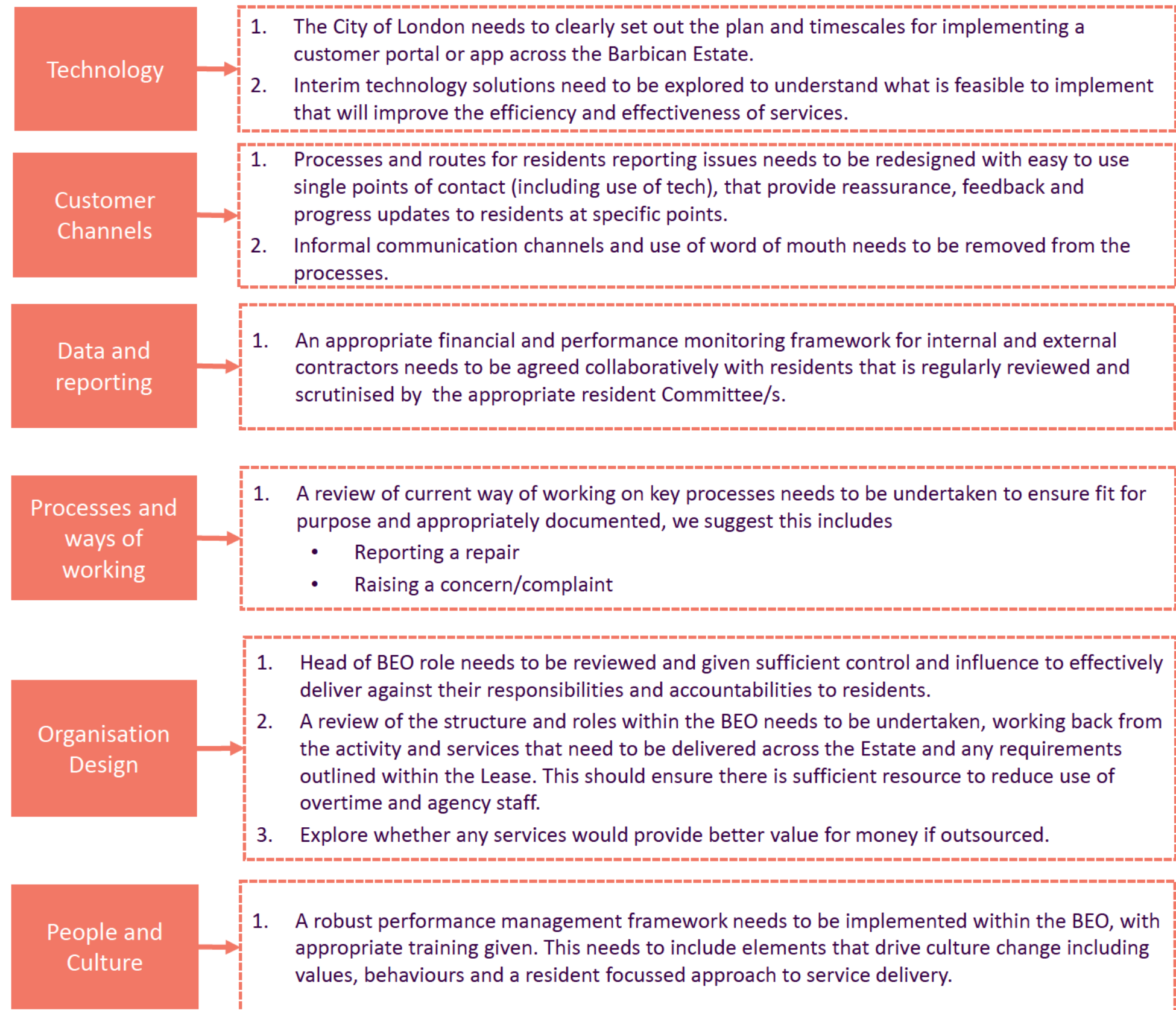
The work commenced early November 2022 and an interim report was produced at the end of December 2022. The **interim report** set out our **key findings from the first stage of the project**, which was to undertake a **detailed critical appraisal of the current services**, in line with the agreed scope for the project (as summarised on the previous slide). The interim report provided the baseline findings of the current service appraisal, which was used to guide the priorities for this stage of the project.

Details of the areas identified as requiring focus in Stage 2 of the project are summarised to the right and the key themes found from the Stage 1 review are detailed on the next two pages of this report.

Prior to considering the detailed recommendations set out in this report, it is worth setting out some key points on the **purpose** of this report and how it should be used. **Key points include:**

- The main purpose of this report is to **provide recommendations that address the issues identified as part of the detailed critical appraisal of the current services** provided to Barbican residents, which have been discussed and agreed with Project Board members and shared more widely with both residents and staff.
- There are recommendations in this report which will require further consultation with both residents and staff.
- There are recommendations in this report have wider dependencies and therefore will require a phased approach to full implementation.
- The recommendation are outlined under four main sections of the report covering
  - ✓ Organisational structure, culture and roles
  - ✓ Redesign of key process
  - ✓ Financial & Performance Reporting
  - ✓ Budgeting, cost control and service charges

To be more specific, below is a summary of the areas which require focus in this stage of the work:

Technology
1. The City of London needs to clearly set out the plan and timescales for implementing a customer portal or app across the Barbican Estate.
2. Interim technology solutions need to be explored to understand what is feasible to implement that will improve the efficiency and effectiveness of services.

Customer Channels
1. Processes and routes for residents reporting issues needs to be redesigned with easy to use single points of contact (including use of tech), that provide reassurance, feedback and progress updates to residents at specific points.
2. Informal communication channels and use of word of mouth needs to be removed from the processes.

Data and reporting
1. An appropriate financial and performance monitoring framework for internal and external contractors needs to be agreed collaboratively with residents that is regularly reviewed and scrutinised by the appropriate resident Committee/s.

Processes and ways of working
1. A review of current way of working on key processes needs to be undertaken to ensure fit for purpose and appropriately documented, we suggest this includes
   - Reporting a repair
   - Raising a concern/complaint

Organisation Design
1. Head of BEO role needs to be reviewed and given sufficient control and influence to effectively deliver against their responsibilities and accountabilities to residents.
2. A review of the structure and roles within the BEO needs to be undertaken, working back from the activity and services that need to be delivered across the Estate and any requirements outlined within the Lease. This should ensure there is sufficient resource to reduce use of overtime and agency staff.
3. Explore whether any services would provide better value for money if outsourced.

People and Culture
1. A robust performance management framework needs to be implemented within the BEO, with appropriate training given. This needs to include elements that drive culture change including values, behaviours and a resident focussed approach to service delivery.

Key themes identified from Stage 1

Key themes

Below is a summary of the **key themes** identified during Stage 1 of this review.

Customers	Processes	Organisational Design
• Roles within the BEO structure require the influence, control and oversight to discharge their responsibilities effectively and ensure a customer first culture. • In addition, there needs to be a greater emphasis on seeing things from a customer perspective and improved accountability for the customer experience. • There needs to be greater accountability by budget holders to leaseholders to demonstrate the efficiency and value for money of the services they provide on an ongoing basis.	• Processes need to be fully documented to ensure they are understood and consistent in approach. • Roles require further clarity of what activity sits in which role to avoid duplication. • Budgeting and cost control requires improvement. • Policy and processes need to reviewed to ensure they are fit for purpose and need meet the needs of the Barbican residents. • Informal channels for reporting issues such as repairs need to be removed to ensure there is improved visibility of the issue and reduce the number of roles involved in reporting and dealing with issues.	• There needs to be improved oversight and control of all services across the Barbican Estate. • Roles need to be based on the demands of the service and value to residents. • Resource planning requires improvement to reduce the spend on overtime and agency staff. • Performance management needs to be robust and consistent across all roles and linked to key performance indicators of services delivered across the Barbican as well as upholding the values and behaviours expected. • Improved focus on staff support and wellbeing, including regular 121's and team meetings being held. • Improved training for staff, particularly around people issues and performance management.

Key themes

Below is a summary of the **key themes** identified during Stage 1 of this review.

People and Culture	Technology and Systems	Performance and Data
• There needs to be improved collaborative working between residents, BEO and City of London to improve trust and confidence of residents in their landlord and staff and contractors who deliver services to the Barbican Estate. • Improved communications between the BEO and residents, in particular written communications need to be plain English and written from the audience rather than the writers perspective. • Increased focus on improving staff morale, including ensuring regular 121's and team meetings are carried out. • Progress with key actions promised by the City of London needs to be quicker to improve the confidence of both BEO staff and residents. • Contractor/project management requires improvement	• Staff require access to all systems and be sufficiently trained on their effective use. • Improved use of technology to improve efficiency and effectiveness of services. • There needs to be a clear plan to use technology to improve future efficiencies and quality of services including the roll-out of a resident portal.	• Data and information requires greater insight and narrative. • Budgeting and cost control requires improvement. • A detailed framework for regular and consistent financial and performance reporting needs to implemented including trend information. • Budget holders are accountable for reporting on and communicating to residents on both the financial and overall performance of the services they deliver to the Barbican Estate, including any contractors who deliver services on their behalf.

Key Recommendations (Phase 1)

Organisational structure, culture and roles

Organisational structure, culture and roles

In this section we **address the following areas** identified from the Stage 1 review.

Organisational Design

- Roles within the BEO structure require the influence, control and oversight to discharge their responsibilities effectively and ensure a customer first culture.

- Roles require further clarity of what activity sits in which role to avoid duplication.

- Roles need to be based on the demands of the service and value to residents.

- Resource planning requires improvement to reduce the spend on overtime and agency staff.

People & Culture

- In addition, there needs to be a greater emphasis on seeing things from a customer perspective and improved accountability for the customer experience.

- Increased focus on improving staff morale, including ensuring regular 121's and team meetings are carried out.

- Performance management needs to be robust and consistent across all roles and linked to key performance indicators of services delivered across the Barbican as well as upholding the values and behaviours expected.

- Improved training for staff, particularly around people issues and performance management.

In the **following slides**, we set out a number of **specific recommendations** in relation to:

- Senior leadership structure and roles reporting directly into the Head of BEO.

- Service charge and revenues function and the role of the Commercial Property Officer.

- Roles within the Property Services function.

- Cleaner roles.

Recommendation 1 - Senior Leadership structure

Head of BEO
1 FTE

- Existing role – no change required
- Existing role – reporting line change

Service Charge & Revenues Manager
1 FTE

Property Services Manager
1 FTE
Plus 3 x Resident Engineers

Resident Services Manager
1 FTE

Estate Services Manager
1 FTE
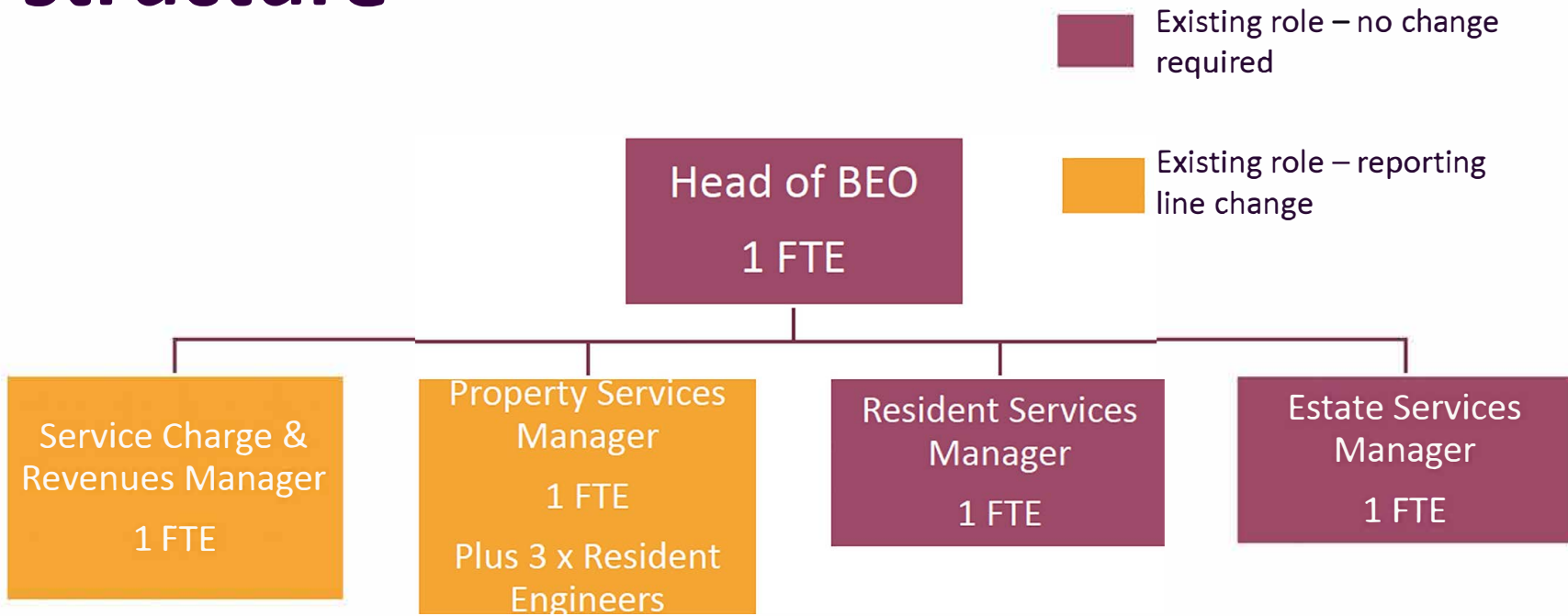
Key Features

- This leadership structure would move the reporting line for the Service Charge & Revenues Manager from Assistant Director of Housing and Barbican to Head of BEO and the Property Services Manager from the Head of Repairs and Maintenance to Head of BEO, this also includes the team reporting into the Property Services Manager.
- This would enable the Head of BEO to have full oversight and control over activity carried out on the Service Charge account and service delivery of repairs, with this being one of the largest elements of Service Charge.
- This would significantly increase the responsibility and accountability of the Head of BEO role bringing in accountability for both the overall Service Charge account and budget for Barbican of around ███████*per annum (previously under the remit of Assistant Director). It would also include full accountability for the Property Services function (repairs and maintenance) including contract management and performance of ████████ (note this does not include major investment programmes covered later in the report). This would require the role to be fully dedicated to the delivery of services for the Barbican Estate..
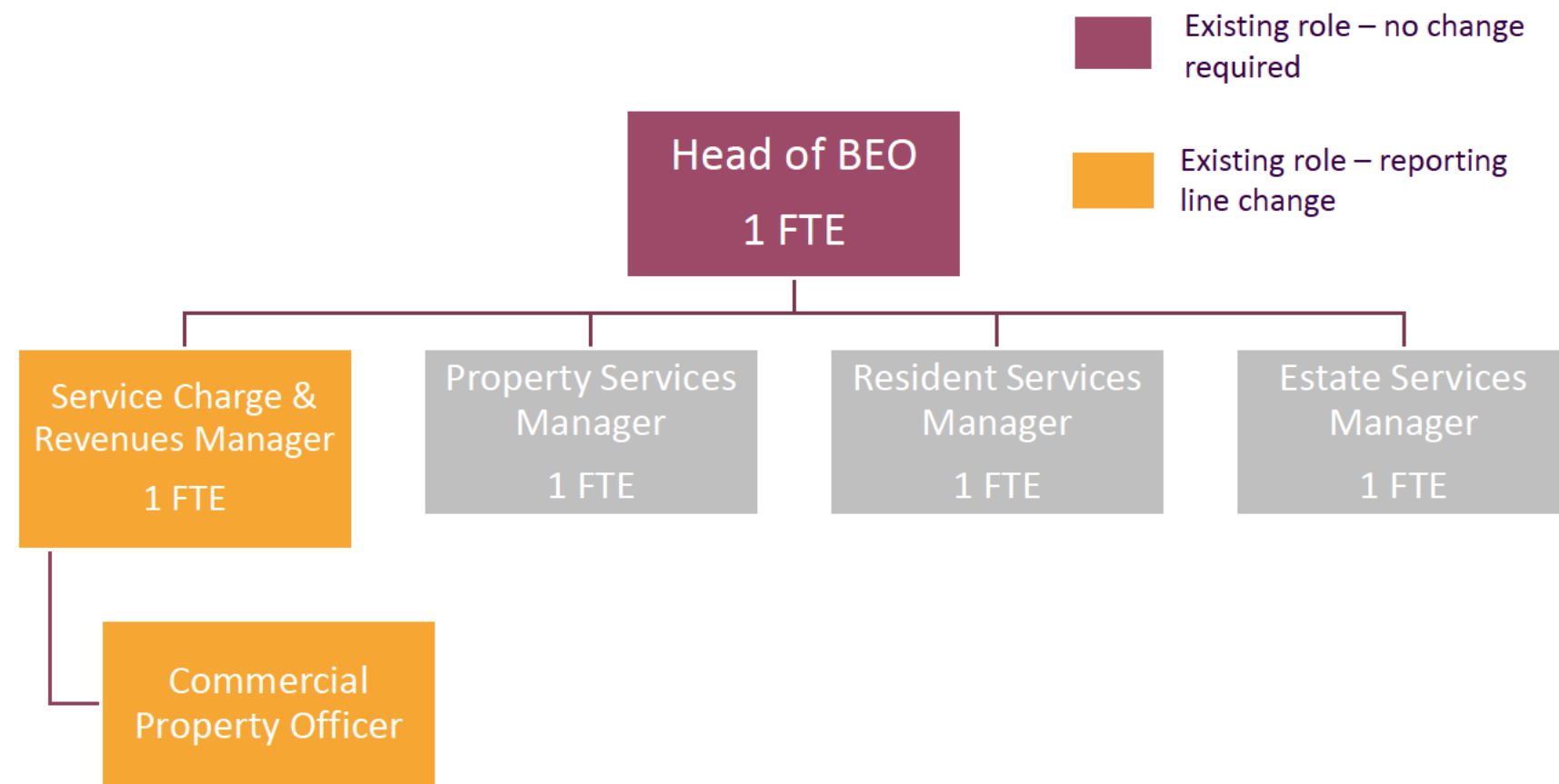
  * Circa £18- £19 Million per annum

Benefits

- Brings core elements of service delivery and service charging under the direct remit of the Head of BEO, enabling the Head of BEO to have increased control over service delivery of repairs and maintenance and service charge account activities.
- Enables residents to have a "client side" property function and expertise to oversee the quality and effectiveness of the repairs and maintenance services.

Challenges

- Existing Service Charge & Revenues Manager and Property Service Manager will have a change in reporting line.

Impact Assessment

Impact	RAG Rating
Cost/Savings	No savings/no additional cost
Staff	Reporting line changes required. This would also greatly increase the responsibility and accountability of the Head of BEO role which would need an urgent redesign and re-evaluation
Residents	Should deliver an improved service
Ease of implementation	Requires reporting line changes, no additional cost/investment, may impact on wider City TOM for repairs

Service Charge &
Revenues function

Recommendation 2 - Service Charge & Revenues function

Key Features

- As part of our recommended future structure, we have identified an opportunity to give the existing Commercial Property Officer role a wider remit in relation to maximising income generation for commercial activity across the Barbican Estate, focussing on car parks and storage areas.

- From the first stage review, it was identified that Area Estate Services Managers were struggling with capacity to deal with storage and car parking enquiries. City of London is therefore missing key opportunities to maximise the income potential in this area.

- This role would contribute to increased income for the City.

- This role may also provide back-up/support to the Service Charge & Revenues Manager, currently identified as a role that has no identified succession plan.

Org chart:
- Head of BEO 1 FTE
  - Service Charge & Revenues Manager 1 FTE
    - Commercial Property Officer
  - Property Services Manager 1 FTE
  - Resident Services Manager 1 FTE
  - Estate Services Manager 1 FTE

Legend:
- Existing role – no change required
- Existing role – reporting line change

Benefits
- Brings revenue activity under one single area of accountability.
- Makes use of existing commercial skills and knowledge in the team
- Gives City of London increased capacity and focus to maximise revenue from car parking areas and storage.
- Frees up capacity of Area Estate Services Manager role.

Challenges
- Existing Commercial Property Role may need to be increased from 0.5 FTE to 0.75 - 1 FTE, [redacted]
- Will require a change in reporting line for the Service Charge & Revenues Manager.

Impact Assessment

Impact	RAG Rating
Cost/Savings	[redacted]
Staff	Reporting line changes required
Residents	Should deliver an improved service
Ease of implementation	Requires reporting line changes, [redacted] additional cost/investment, but this may off-set elsewhere

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Recommendation 3 - Property Services function

Head of BEO
1 FTE

- **Service Charge & Revenues Manager** 1 FTE
- **Property Services Manager** 1 FTE
- **Resident Services Manager** 1 FTE
- **Estate Services Manager** 1 FTE

Under Property Services Manager:
- **Contract Manager/Surveyor**
- **Resident Engineers**
- **Property Services Co-ordinator**

Legend:
- Existing role – no change required
- Existing role – reporting line change
- New role, role to be evaluated and position in structure agreed

Benefits

- Brings vital surveying, technical and contract management expertise into the team to support the Head of BEO with monitoring repairs delivery and quality ███████████ cost effectiveness and support with major investment work projects.
- Brings existing resources directly into the BEO team who can oversee repairs reporting and activity including work in progress, outstanding repairs.
- Will improve the level of overall contractor/project management across the Barbican estate.
- Delivers additional capacity into House Officer roles

Challenges

- Cost of additional surveying/contract manager role.
- ███████████████████

Impact Assessment

Impact	RAG Rating
Cost/Savings	Potential cost increase ████████████████ and through improved contractor management.
Staff	Reporting line changes required, ████████████████ ███
Residents	Additional cost of new role, improved service moving to one point to contact but this will require an efficient service desk that provides confidence to residents.
Ease of implementation	Requires reporting line changes, additional cost/investment £52k, consultation with residents on additional cost elements

Key Features

- As part of reporting the Property Services Manager into Head of BEO, we have identified an opportunity to extend the skills set within this function. This includes a Surveyor/Contract Manager and to introduce a co-ordinator role ███████████████, overseeing repairs reporting and activity and in turn reduces time spent by House Officers and others chasing repairs. Repairs calls for the Barbican will still go through the Property Services Desk.

Recommendation 4 - Cleaning service

Currently there are 28 cleaners working across the Barbican Estate. 2 of the cleaners focus full-time on the north and south podium areas and these roles are paid for by the City of London. The remaining 26 are paid for by leaseholders. Currently 12 of the cleaners are agency staff.

Below is an analysis of the cleaning specification and tasks. This has been put together based on a copy of the tasks and specification and discussions with the Estate Manager, Area Estate Supervisors and Cleaners themselves. The current specification sets out the allocated time per task based on current ways of working (although some efficiency is built based on activity analysis undertaken as part of this review). The optimal column is based on potential further efficiencies that could be made as more efficient ways of working were adopted, this would also include reviewing the equipment the cleaners currently use,

Daily Task	Current specification	Optimal working			Current Total hours per annum	Optimal Total hours per annum	
Rubbish Collection 2050 flats	2 hours	2 hours	5 days per week x 52 weeks of the year				
Entrance areas, lift lobby, garage entrances	1 hour	1 hour	5 days per week x 52 weeks of the year				
84 lifts	1 hour	45 mins	5 days per week x 52 weeks of the year				
Reporting issues	10 mins	5 mins	5 days per week x 52 weeks of the year				
Internal post distribution	10 mins	0 mins	5 days per week x 52 weeks of the year				
	4.20 hours	3.50 hours					
x 26 cleaners	109.2 hours	91.0 hours	5 days per week x 52 weeks of the year		28,392	23,660	
Weekly tasks							
Adhoc cleaning	30 mins	30 mins	Once a week x 52 weeks of the year		676	676	
Store areas	2 hours	2 hours	Once a week x 52 weeks of the year		2,704	2,704	
94 corridors and staircases to clean	3 hours	1.5 hours	Once a week x 52 weeks of the year		4,056	2,028	
Monthly tasks							
Areas to deeper clean (assume 10 per month)	2 hours	2 hours	Once a month x 52 weeks of the year		624	624	
				Total	36,452	29,692	
		Current hours	37 hours per week or 1,717 hours per annum				

Recommendation 4 - Cleaning service

The analysis on the previous page sets out the allocated time per task based on current ways of working (although some efficiency is built based on activity analysis undertaken as part of this review). The optimal column is based on potential further efficiencies that could be made as more efficient ways of working were adopted, this would also include reviewing the equipment the cleaners currently use,

This suggests that, based on the current ways of working and detailed analysis of the activities undertaken, ███████████████████████████
███████████████████

With further revised ways of working, this could reduce to 17.2 FTE.

Impact Assessment

Impact	RAG Rating
Cost/Savings	
Staff	
Residents	
Ease of implementation	

Organisational structure, culture and roles – Summary of recommendations

Below is a **summary** of the **specific recommendations** made in this section of the report.

Recommendation	What issue/s does this resolve	Ease of implementation
Change reporting line of Service Charge & Revenues Manager	• Improved oversight and control of the Service Charge account for the Head of BEO role. • Gives the Head of BEO role the accountability to enable the role to discharge its responsibilities to residents. • Enables all revenue activity for the Barbican to have a single line of accountability and oversight.	🟩
Change reporting line of Property Services Manager	• Improved oversight and control of repairs service delivery for the Head of BEO role. • Gives the Head of BEO the technical expertise within the team to oversee the quality and cost effectiveness of the repairs service and repair contractors.	🟧
Bring all commercial and revenue activity under the remit of the Service Charge and Revenues Manager	• Makes use of existing skills sets within the team. • Gives additional focus and capacity to maximise income from car park areas and storage. • Frees up capacity from the Estate Services team.	🟩
Recruit a Surveyor/Contract Manager	• Brings additional technical expertise and experience into the Property Services function. • Provides additional capacity to oversee the quality and effectiveness of costs of contractors work. • Will improve the level of the overall contractor/project management across the Barbican estate. • Able to provide technical input to more complex repairs issues. • Can act as a conduit between repairs, contractors and the Barbican residents. • Frees up capacity of house officers and other roles in chasing repairs.	🟩

Organisational structure, culture and roles – Summary of recommendations

Recommendation	What issue/s does this resolve	Ease of implementation
Create a Property Co-ordinator role within the Barbican Property team	• Can provide insight and reporting to assist with the monitoring of repairs delivery including work in progress, outstanding jobs. • Can act as a conduit between the Property Services desk and Barbican team. • Frees up capacity of house officers and other roles in chasing repairs.	
███████████ Review the cleaning service & its management structure	• Matches the resources to the cleaning service specification and identifies ways of streamlining tasks • Builds in capacity for holidays, sickness, training and 121's. • Therefore reduces the spend on overtime and agency staff. • ████████████████████████ █ ███████████████████	Stage 1 Stage 2

Organisational structure, culture and roles – Summary of recommendations

In addition, during the Stage 1 review we identified a number of **other areas** that require **focus and change**. These are:

- Performance Management.

- Resource Planning, specifically where there is no additional capacity built into resource levels to cover holidays, etc.

Below are our **specific recommendations** in relation to these areas. We advise these are implemented as soon as possible.

| Recommendation	What issue/s does this resolve	Ease of implementation
Implement the use of the City of London's established performance management framework, values and behaviours. This should include: • Setting of objectives and targets linked to KPI's • Regular 121 meetings to provide support and discuss performance against targets, objectives and behaviours. • 121 appraisals for each member of staff in line with the City of London's requirements. • Regular team meetings to discuss performance, improve team communication and identify areas of focus/continuous improvement.	• Greater emphasis on seeing things from a customer perspective and improved accountability for the customer experience. • Performance management needs to be robust and consistent across all roles and linked to key performance indicators of services delivered across the Barbican as well as upholding the values and behaviours expected. • Improved focus on staff support and wellbeing, including regular 121's and team meetings being held. • Improved training for staff, particularly around people issues and performance management. • Managing and improving sickness absence levels. • Improving motivation levels amongst staff.	
Create a pool of CPA/LP roles who can support with covering holidays, sickness, etc.	• Roles need to be based on the demands of the service and value to residents. • Resource planning requires improvement to reduce the spend on overtime and agency staff. • Increased focus on improving staff morale, including ensuring regular 121's and team meetings are carried out.	

███████████	██████████	████████████
██████████████████	██ Savings and efficiencies will be delivered through the action plan. Detailed reviews of each element of the BEO service delivery.	████████████████
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Page 18-19: The 'Summary of Costs and Savings from Recommendations' has been redacted to allow validation during the formal change management programme. The review has indicated potential shared savings of around £1 million across the Service Charge and Landlord accounts.

Key Recommendations (Phase 1)

Redesign of key processes
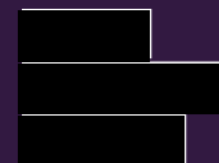
Introduction - Redesign of key processes

In this section we **address the following areas** identified from the Stage 1 review.

Processes

- Processes need to be fully documented to ensure they are understood and consistent in approach.

- Roles require further clarity of what activity sits in which role to avoid duplication.

- Policy and processes to be reviewed to ensure they are fit for purpose and need meet the needs of the Barbican residents.

- Informal channels for reporting issues such as repairs need to be removed to ensure there is improved visibility of the issue and reduce the number of roles involved in reporting and dealing with issues.

Customers

- Greater emphasis on seeing things from a customer perspective and improved accountability for the customer experience.

- Education and communication of new processes for residents to ensure understanding of processes and that they are used.

Technology and systems

- Improved use of technology to improve efficiency and effectiveness of services.

- There needs to be a clear plan to use technology to improve future efficiencies and quality of services including the roll-out of a resident portal.

In the **following slides**, we set out a number of recommendations in relation to future process redesign. In designing the future processes, we have worked within a number of **best practice principles,** which include;

- Customers will have a primary clear, and sufficiently skilled point of contact, supported by clear transfer of responsibilities between teams.

- Interaction with residents should be focused on providing excellent customer service.

- Clarity on roles with clear split of responsibilities, duplication will be minimised, with activities consolidated where possible.

- Interactions between teams is seamless with reduced silo working and improved communication.

- Where possible, steps in the process should be automated or form part of a workflow in order to maximise efficiency and reduce human error.

- Processes are supported by clear guidance for both BEO staff and residents and standardised approach in place for quality control work sign off.

- Ensuring there is access to the right technology infrastructure to operate effectively and efficiently.

- Data should be utilised to inform future service delivery improvement and demonstrate value for money key stakeholders.

Introduction - Redesign of key processes

One of the **key priorities** identified in Stage 1 of our review is to assess current core process critical to service delivery and model 'to be' future state processes for each key area to ensure there is the ability to oversee all levels of activity and that processes are fit for purpose and factor in best practice to drive efficiency and effectiveness. Supporting each "to be" model we have also produced process maps which graphically demonstrate the steps that are taken to complete a task or deliver a service and help us to understand what is really happening in a current process or set-out how a process should work in future ███████████████████

The key processes we have identified and agreed with the Project Board as part of this exercise include:

Process 1 - General repairs – Repairs process from reporting a repair to quality inspection and completion.

Process 2 – Resident Services –Process of other resident issues and queries, includes complaints and service failure and service charge query.

Process 3 - Spare keys storage – ████████████████████████

Process 4 - Parcel collection – ████████████████████████

For general repairs and resident services, we have summarised the key features of the "to be", redesigned model and undertaken an impact assessment to provide further detail and context, covering, key drivers, targeted benefits and considerations such as activities to support implementation including long term options. For processes of spare keys storage and parcel collection, we have detailed the current as is position and future options for consideration with supporting pros and cons.

Process 1 - General repairs, Introduction

Overview of the current 'as is' process

From our stage 1 review the following key findings were outlined:

- **Inconsistent customer experience** in reporting a repair and can be through multiple teams/channels (e.g. Property Services Desk, BEO Reception, House Officers, Cleaners, CPAs and Resident Engineers).

- Once a repair has been reported, **limited reassurance** provided to the resident about the **progress** and **resolution of issues**, therefore creating "failure demand" into both the Property Services desk and other roles such as the House Officers.

- **Lack** of **formalised documentation**/ guidance that **categorises** a repair – e.g. emergency repair, appointment repair

- **Status of repair** is **not easily accessible** for customers and leads to uncertainty and frustration. Partly due to Civica system needing to be embedded.

- **Lack** of robust, detailed **performance monitoring**, critical in holding contractors to account and to provide insight for trends analysis and insight in to longer term issues.

- **Lack** of **quality information** including work specifications, post inspections, recalls, etc

In the **following two slides** for each process we have **summarised** the **key features** of the "to be" model and undertaken an impact assessment to provide further detail and context, covering, key drivers, targeted benefits and considerations such as activities to support implementation including long term optimal model. We have additionally RAG rated each recommendation to assess the ease of implementation.

To be' map - General repairs process steps

The general repairs process, defined as: *An item of day to day repairs and/or routine maintenance undertaken in response to a request from a Barbican customer.*

The general repairs process map is split into the following **key stages,** please note a detailed process map of the redesigned process.. This is based on maximising the use of technology and improved ways of working.

- **Stage 1 – Reporting and Diagnosis** – All steps involved in a customer reporting a potential repair. One channel route for reporting a potential repair, short to medium term through the Property Service Desk and longer term through online customer portal. Clear system in place to ensure no duplication of orders to ensure one version of the truth.

- **Stage 2 – Scheduling** – Clear scheduling of appointments with both repair operative and customer with clear communication. Short term through text message, long term through text and online portal.

- **Stage 3 – Carrying out the Repair -** Repairs operative uses device to show that job has started and carries out repair if safe to do so. Operative indicates when a job is complete on their device and will update job codes and complete.

- **Stage 4 – Follow-on works** – System creates alerts when variations requests are made, these are actioned and the follow on process is. If the job cannot be completed first time, the Repairs Operative will book a follow on appointment with the customer before they leave.

- **Stage 5 – Quality Checks and Completion** – System sends a customer satisfaction survey on completion of a job, this should include date and time of visit, details of repair and time taken and cost. If a QA inspection is needed, the Supervisor will contact the resident to arrange this, any repairs that have not been completed satisfactory, a follow on job will be raised.

Process 1 - General repairs – 'To be' process map – Impact Assessment

Key features of the proposed 'to be' Model (RAG colour denotes ease of implementation)	The case for change Key Drivers/ issues identified in Stage 1	Targeted Benefits	Key Considerations and Activities to Support Implementation
Reporting a repair through a single point communication channel into the City of London Property Service Desk	• Currently there is an inconsistent customer experience in reporting a repair and can be through multiple teams/channels (e.g. Property Services Desk, BEO Reception, House Officers, Cleaners, CPAs and Resident Engineers).	✓ Ease of access and clarity for residents to report a repair. ✓ Roles such as Housing Officers are not having to focus on out of scope tasks like chasing repairs and reporting.	• Implemented alongside a clear and effective communications plan to help residents understand the communication channels – this is particularly important for residents less IT literate. • Capability and capacity of resources operating the service desk to manage demand on the service., therefore improving this service and residents confident in using this to report repairs. • Effective communication and education around new processes to residents *Long term consideration: Online portal for residents to report a repair.*
All new repairs reported by BEO residents and active repair updates are logged onto ██████ to ensure **one version of the truth** and no duplication of orders	• Currently several different data storage locations for repairs data which increases the risk of data inaccuracies and difficult for residents to obtain status update on repairs. • Once a repair has been reported, limited reassurance provided to the resident about the progress and resolution of issues, therefore creating "failure demand" into both the Property Services desk and other roles such as the House Officers.	✓ Reduced likelihood of job order duplication. ✓ Through one central logging system, complete transparency to all stakeholders (residents, BEO). ✓ Enables greater use of data for performance monitoring purposes. ✓ Residents are able to obtain up to date information on the repair status.	• Coordination with contractors to ensure all repairs are updated in line with new process. • Implementation alongside data governance framework. • Within the interim period residents will need to call or email the Service Desk for an update. • Option – if a contractor is responsible for a repair does BEO or the contractor manage the contact from the point of engagement with the resident? *Long term consideration: Residents are able to obtain status updates through online portal.*
Clear **process of scheduling and diagnosis** of repair to be undertaken by central team within City of London (CoL) through ██████ – Typical/ simple repairs can be diagnosed by a scheduler, where more complex jobs, the CoL Property team are engaged to advise	• Occasions where repairs are not diagnosed correctly and leads to residents being frustrated due to increased likelihood of repeat jobs. • Lack of formalised documentation/ guidance that categorises a repair – e.g. emergency repair, appointment repair.	✓ Standardised approach to diagnosis (through resident questionnaire and asking for photos of issue) leads to increased accuracy of first time diagnosis. ✓ Clear process to ensure the right expertise are utilised earlier in the process at the diagnosis stage.	• Alignment with communication plan to ensure residents are informed on the initial diagnosis process through diagnostic questionnaire. • Guidance and training to ensure service desk have the capability to correctly diagnose a repairs issue. • Strengthen the coordination between Property Service Team and Service Desk. *Long term consideration: Resident complete questionnaire via online portal, system is then able to automate diagnosis and schedule appointment. System is able to automatically diagnose simple repairs, more complex jobs will still require human input.*
Clear **split of responsibility** between onsite Resident Engineer and contractors – e.g. type of repair.	• Lack of formal documentation detailing the split of responsibility between a Resident Engineer and when a contractor should be used. • Resident Engineers completing jobs outside their skillset can lead to a reduced quality of service. • Giving work to contractors that Resident Engineers can do can increase costs.	✓ Right expertise are used for each job. ✓ Reduced chance of Resident Engineers undertaking jobs outside their role.	• Recommendation is dependent to an extent on the future organisation design. *Long term consideration: NA*

Process 1 - General repairs – 'To be' process map – Impact Assessment

Key features of the proposed 'to be' Model (RAG colour denotes ease of implementation)	The case for change Key Drivers/ issues identified in Stage 1	Targeted Benefits	Key Considerations and Activities to Support Implementation
A level of **consistency** from **Repairs Operative** even when using different of contractors. E.g. process of ID check, risk assessment etc.	• In line with best practice there should be a minimum consistency across repairs service. • Interaction with residents should be focused on providing excellent customer service.	✓ Residents are provided with a consistent level of service delivery – improved customer service/ reduced complaints.	• Coordination with contractors on updated process requirements. *Long term consideration: When retendering contracts requires embedding of process requirements with specification.*
Clear **guidelines** on **repairs timings** for different repairs, e.g. emergency repairs are attended to within four hours, all repairs completed.	• Evidence provided from residents where repairs have been ongoing for a period of time with no resolvent or action. • No documentation provided outlining timings.	✓ Residents are clear on when repairs are expected to be completed. ✓ Enables service delivery performance (including contractors) and value for money to be demonstrated/ evidenced.	• Coordination with BEO future communications plan to ensure customers are clear on type of repairs and agreed timings. • Data to be fed into performance framework. **Long term consideration:** NA
Clarity and **transparency** on case management to ensure follow on works are customer complaints are managed correctly.	• Jobs being closed when repair has not been fully completed – leads to duplication with new repair jobs being created and ultimately frustrated customers. • If job cannot be completed, systems need to be updated accordingly outlining follow on works/ next steps.	✓ Greater transparency to all stakeholders (residents, BEO) through one central logging system. ✓ Residents are able to obtain up to date information on the repair status and any follow on works.	• Strengthening coordination between Service Desk and Property Services Team. • Alignment with resident complaints process. • Coordination with contractors to ensure system is updated. *Long term consideration: Depending on future technology roadmap there may be opportunities to strengthen repairs case management including integration with online portal.*
Quality inspection embedded within process to ensure high quality of service and holding contractors to account. Also includes **feedback survey** completed by residents.	• Quality inspection should be independent from contractor. • Inspections extended to include Resident Engineer jobs. • Processes are supported by clear guidance and standardised approach in place for quality control work sign off.	✓ Residents are kept informed and included in the approval and sign off / case closure. ✓ Residents given the opportunity to provide meaningful feedback on level of service. Additionally provides BEO with rich, live data and insight.	• Option - Consideration on what level of contracted jobs should be inspected. Currently 15% of all jobs are selected for inspection (typically we would see it around 10%). Depends on the organisation design for number and scope of Resident Engineers. • Feedback survey in short term needs to be sent manually. *Long term consideration: Automation of feedback survey.*
Data gathered informs an agreed set of **performance metrics** to demonstrate value for money	• Lack of robust, detailed performance monitoring, critical in holding contractors to account and to provide insight for trends analysis for longer term issues. • Escalating costs of repairs and as part of the review an inability to provide robust KPI's and performance framework for monitoring repairs, first time fix, follow on works, etc which we would expect to be routine information made available.	✓ Greater data available for performance monitoring – holds contractors to account and demonstrate value for money and service delivery to residents. ✓ Increased likelihood of identifying longer term issues / recurring repairs.	• Strengthening coordination between Service Desk and Property Services Team. • Alignment with future BEO performance framework • Monitoring of metrics needs appropriate senior oversight – suggest initially the contract manger/ surveyor and then Head of BEO. *Long term consideration: Potential use of benchmarking to appraise services.*

Process 2 – Resident Services, Introduction

Overview of the current 'as is' process

Outside repairs there are a range of other Resident Services areas that are reported by residents and managed by the BEO staff, the most frequent include: Reporting a failure in service, complaints, ASB and estate security and residents raising a query in relation to service charge. From our stage 1 review the following key findings were outlined:
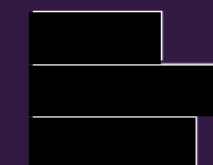
1. **Reporting a failure in service and complaints** - Whilst there is a complaints process in place, the process for capturing and resolving informal complaints or any overarching performance monitoring is not in place. Additionally where a resident has raised a failure in service (e.g. cleaning standards) this is not formally documented anywhere and little evidence on how this informs service improvement.

2. **Residents raising a query in regard to service charge** – No formal process documented for managing a customer query in regard to service charges including who is responsible for managing the resident query and engagement and what level of expertise is required when investigating and resolving.

In the **following two slides** we have each process we have summarised the key features of the to be model and undertaken an impact assessment to provide further detail and context, covering, key drivers, targeted benefits and considerations such as activities to support implementation including the long term optimal model. We have additionally RAG rated each recommendation to assess the ease of implementation.
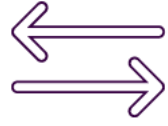
To be' map – Resident Services process steps

The resident services process, defined as: *All non-repairs resident issues and queries, includes reporting a failure in service, complaints and estate security and residents raising a query in relation to service charge.* Although each process has separate sub processes they all follow the same key stages.

- **Stage 1 – Reporting and logging** – All steps involved in a customer reporting/ raising a query or issue, for all three sub processes when reporting within working hours, this should be through the Service Desk who manages the initial resident engagement and logs issue/query. Only the ASB/ estate security can be reported outside working hours.

- **Stage 2 – Delegation and assessment** – Process steps involved in delegation to specific teams from the Service Desk and formulating an action plan and follow up/ engagement with resident – for all three sub-processes it is critical the resident is kept informed on all key milestones.

- **Stage 3 – Implementation and escalation** – Following an assessment of the issue/query the respective team will implement the action plan (service charge query may require expertise from Service Charge & Revenue Manager). Where the issue/query cannot be resolved an escalation process must be actioned with the appropriate senior BEO staff member involved.

- **Stage 4 – Feedback and case close** – Final actions involved in closing a case, including sign off/ approval from resident and completion of feedback form which forms part performance monitoring framework to inform future service improvement.
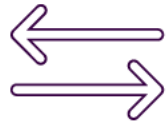
Process 2 – Resident Services – 'To be' process map – Impact Assessment

Key features of the proposed 'to be' Model (RAG colour denotes ease of implementation)	The case for change Key Drivers/ issues identified in Stage 1	Targeted Benefits	Key Considerations and Activities to Support Implementation
Across all processes			
Single point of contact through Service Desk for **initial reporting** of all resident complaints, service failure and service charge queries .	• Currently there is an inconsistent customer experience in reporting a non-repair issue or query and can be through multiple teams/channels (e.g. Property Services Desk, BEO Reception, House Officers, Cleaners, CPAs and Resident Engineers).	✓ Ease of access and clarity on point of contact for residents in reporting non-repair issue/query. ✓ Roles such as Resident Service Officers are not having to focus on out of scope tasks like logging resident services issues.	• Implemented alongside a clear and effective **communications plan** to help residents understand the communication channels – this is particularly important for residents who are less IT literate. • Resident Service Officers remain the key relationship manager/resident champion. *Long term consideration: Utilisation of an online portal for customers to report a resident services issue/ query.*
Completion of resident **feedback** survey prior to case closure	• No formal, structured way for residents to provide feedback of services provided to inform service improvement.	✓ Ensures residents feel they are being listened to. ✓ Gathers useful data and information to inform performance management.	• Feedback survey in short term needs to be sent manually and fed into performance framework. *Long term consideration: Utilisation of an online portal for residents to complete a feedback survey.*

Process 2 – Resident Services – 'To be' process map – Impact Assessment

Key features of the proposed 'to be' Model (RAG colour denotes ease of implementation)	Key Drivers/ issues identified in Stage 1	Targeted Benefits	Key Considerations and Activities to Support Implementation
Reporting a service failure and complaint process			
All complaints received, including informal ones, **are logged** and actioned and followed up, with positive customer experience prioritised.	• Although there is a complaints process in place, evidence this is not always followed in practice. • No evidence of any associated metrics to inform performance management.	✓ Enables residents to feel they are being listened to and ensures full accountability of BEO to respond to all resident complaints. ✓ Gathers useful data and information to inform performance management and service improvement. ✓ Shows the BEO is acting on feedback from customers regarding the tone and approach of complaints handling process.	• Implemented alongside a clear and effective **communications plan** to help residents understand the communication channels – this is particularly important for residents who are less IT literate. • Requires clear logging and tracking of each complaint case. *Long term consideration: Utilisation of an online portal for residents to report and monitor complaint correspondents. Potentially for automation of delegation of simple complaints to appropriate team.*
Publicised complaints procedure for residents including where complaint cannot be resolved by BEO (stage 1 and 2),	• No evidence residents are informed of the existence complaints handling procedure, including response times for the various stages. • No evidence of the full contact details of the Ombudsman.	✓ Residents have full understanding and are reassured on how the complaints procedure works including external options where complaint cannot be resolved internally. ✓ Accountability of BEO to follow clear procedure.	• Response times for first and second stage complaints to be agreed. • Implemented alongside a clear and effective **communications plan** to help residents understand the end to end complaints process. *Long term consideration: NA*
Resident service charge query			
All individual resident contact in regard to service charge queries through Resident Services Officer & Manager (Service Charge & Revenue Manager provides expertise but no customer contact)	• Interaction with residents should be focused on providing excellent customer service through customer facing specific roles.	✓ Residents are provided with a consistent customer experience. Clarity on point of contact for residents in regard to service queries ✓ Improved focus for the SC team and roles are not stretched to cover other 'non-financial' elements (resident query management and legal tasks).	• All residents are formally notified of service charge estimates for the year and have a formal consultation period. Residents should be encouraged to report any service charge queries within the formal consultation period. • Resident Service Officers and Manager need appropriate training to ensure equipped to deal with queries and also need access to the relevant information. *Long term consideration: Potential use of online portal for residents to view service charge details (amount due/ balance etc).*
Where formal Resident Committees discuss service charge, the appropriate roles and expertise are utilised including representation from the BEO Service Charge & Revenue Manager	• Evidence that some residents are unaware of the service charge setting process and outcomes.	✓ Appropriate use of expertise to inform resident committee groups of service charge setting process.	• *Understanding of how all residents (not only resident committee members) are informed of the service charge process and outcomes needs to be detailed.* *Long term consideration: NA*

Process 3 – Key storage

In addition to general resident services and repairs the BEO currently undertakes **other services** for residents, including resident **parcel collection and storage and spare keys storage**. On the next two slides we have detailed the current as is position and future options for consideration with supporting pros and cons. It should be noted however that both services are highly valued by a number of residents and therefore any changes will require careful consideration in consultation with residents.

Option (RAG colour denotes ease of implementation)	Details/ context	Pros and cons		Key Considerations
		Pros	Cons	
Spare Key Storage				
1. Keep as current as is	▪ ███████████████ ▪ ████████████████████ ████████ ▪ █████████████████ ███████	✓ ██████████████ ███████	███████████████ ███████ ✗ Duplication of roles between BEO reception and CPAs.	• ████████████████ █████ • █████████████ ████
2. ████████████	• █████████████████ ████ • ████████████ ██████	✓ ███████ ✓ Clarity for residents ✓ Clear split of roles and responsibilities	✗ █████████ ✗ Admin time commitment for BEO staff	• If this option is selected then clear guidance through communications plan to ensure updated policy is understood.
3. ███████████	• █████████████ ██████	✓ No liability on BEO ✓ In line with City of London Target Operating Model (TOM) ✓ Alignments with lease agreement	✗ ██████████ ████ ✗ High risk of push back/ challenge from residents	• Would require careful consideration and consultation with residents • Need to ascertain lease requirements to retain keys for residents

Process 4 – Parcel collection

Redacted for security reasons

Option (RAG colour denotes ease of implementation)	Option details	Pros and cons		Key Considerations
		Pros	Cons	
Parcel Collection				
1. Keep as current as is	• [redacted] • [redacted] • [redacted]	✓ [redacted]	× Example of where roles have developed informally and without the required insight into what residents value or what provides good VfM to residents × Outside lease agreement of service to be delivered by BEO staff. • [redacted] • [redacted]	• Would require an update of governance documentation (job descriptions, policies) to embed. • If this option is selected, we would strongly recommend formalising [redacted] to ensure consistency and data accuracy.
2. [redacted]	• In terms of service delivery no change to the current as is process, [redacted] • Supported by clear logging system and reporting process.	✓ [redacted] ✓ Reduced liability on BEO.	× [redacted] • [redacted]	• If this option is selected, we would strongly recommend formalising and improving the logging system (one approach) to ensure consistency and data accuracy.
3. [redacted]	• [redacted] • [redacted]	✓ [redacted] • [redacted]	× Medium disruption to resident current service delivery × [redacted]	• [redacted] • [redacted]
4. [redacted]	• [redacted]	✓ No liability on BEO for goods being damaged or lost. ✓ [redacted] ✓ In line with lease agreement.	× [redacted] × Significant time commitment in the planning and implementation. × Significant disruption to resident current service delivery - High risk of push back/ challenge from residents	• [redacted]

Key Recommendations (Phase 1)
Budgeting, cost control and service charges

Budgeting, Cost control and Service charges

In this section we **address the following areas** identified from the Stage 1 review.

Customers

- There needs to be greater accountability by budget holders to leaseholders to demonstrate the efficiency and value for money of the services they provide on an ongoing basis.

Processes

- Budgeting and cost control requires improvement

People and Culture

- Improved communications between the BEO and residents, in particular written communications need to be plain English and written from the audience rather than the writers perspective.

Performance and Data

- Budget holders are accountable for reporting on and communicating to residents on both the financial and overall performance of the services they deliver to the Barbican Estate, including any contractors who deliver services on their behalf.

In the **following slides**, we set out a number of recommendations in relation to budgeting, cost control and communication with leaseholders. We have worked within a number of **best practice principles,** which include:

- Budgeting timetable
- Accountability and ownership of costs
- Demonstrating value for money
- Leaseholder input
- External validation of accounts
- Clear, accessible and timely communication with leaseholders
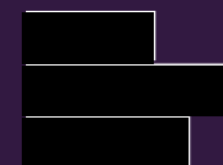
Budgeting and Cost Control

Overview of the current 'as is' process - service charge budgeting process:

The service charge account consists of five key areas and the budgeting process for each area is detailed below.

Customer care – includes the proportion of costs of management and supervision. The budget is made up of the staff salaries, apportioned on a time basis.

Estate management – the budget includes the resident engineer's costs (salaries and accommodation) and the salaries for the Cleaners and Lobby Porters and around 33% of car park attendant salaries. The budget is made on the basis of a fully staffed team and makes a provision for overtime and agency workers.

Property management – covers the repairs and maintenance works and the energy costs for communal areas. The estimates for planned repairs are based on the contract prices (e.g. window cleaning, general maintenance). Other repairs are on scheduled rates of works, and during the budgeting process, the average of the costs incurred over the last five years are taken into account and then inflated. The finance team also gets input from the technical team for maintenance costs. For energy, the finance team are provided with a unit rate to be used for budgeting. This element of the budgeting process is the most variable part.

██████████ – relates to the ground's maintenance. The staff salaries feed into the budget, with 85% charged to the service charges account (these are for maintenance of private gardens_ and the remainder to the landlord account (which represents areas designated as City Walkways).

Major works – A stock condition survey has been completed and there is a high level plan for the planned works, but further planning work is being undertaken beore the formal approval process can begin to procurement.. Therefore, the technical team provides cost estimates for each block at the start of the year and the finance team incorporate those estimates.

The service charge estimates for the financial year are carried out in April and shared with the leaseholders, with the first quarterly payment due in June. The City carries out its budgeting in October so the service charge budgeting could be brought earlier. The reconciliation for the previous year's service charge cost is carried out in August, and the balancing amount is calculated. Leaseholders are notified of the difference and the adjustment is made in the September payment.

Any increases in costs, as long as they are reasonable, are passed on to the leaseholder which is in line with the legislation. The finance team have monthly meetings with the technical team to review spend on repairs and maintenance. Repairs and maintenance is also reviewed at two further budgets meetings xx

Estimates are not changed in the year to give confidence to leaseholders on the budgeting process and avoid any potential confusion. However, residents do then not receive any reforecasts based on actual spend.

Budgeting and Cost Control – best practice

Best practice

Apportioning costs

Costs between different departments should be apportioned in an appropriate way e.g. time basis (staff time spent on relevant activities) or by number of units in a block. It should be done in a fair, consistent and transparent manner to ensure costs are allocated to the right departments. If the Resident Engineers carry out non-service charge elements, these are recharged accordingly.

In addition the apportionment of overheads for use of City of London departments should also be reviewed to ensure there is a fair and consistent approach and that is transparent to residents.

Allow sufficient time for the budgeting process

As there are a number of different departments that feed into the budgeting process, the budget timetable needs to be set such that there is time to review the data provided by other teams and scrutinise and challenge if necessary. For BEO, the technical team provide repairs and maintenance cost estimates to the finance team and so there needs to be sufficient time in the timetable for these cost estimates to be reviewed. Service charge costs increasing year on year, with actual service charge costs being c. 29% higher than budgeted figures for the last financial year so more scrutiny is be required in the budgeting process.

Cost control culture

During the budgeting process, best practice states that the costs of the previous 12 months should be established. One-off items from the previous year should be excluded, and one-off items for the coming year added on. Other costs (such as payroll) should be inflated appropriately. Variable service charges, by their very nature, are likely to vary year on year but taking previous years into account will help to reduce the extent of the balancing charge required to be paid after year-end.

BEO looks at the last five years and makes the relevant adjustments. Certain costs, such as payroll costs, will be relatively easier to budget compared to repairs and maintenance costs which are more likely to be volatile. However, there needs to be ownership of the costs in the budget, with a team responsible for taking measures to control costs and reduce significant variances and held accountable. Best practice states that service charges ownership is at housing and operational teams, not finance. Controlling costs in the service charge account should be embed in the culture of the team, similar to how costs for other accounts are controlled. The monthly review meetings should be used to explore the variances in costs in more detail and acknowledge current economic climate.

Sufficient time should be given to ensure the appropriate scrutiny and challenge of the budget by residents.

Budgeting and Cost Control – best practice

Best practice

Check periodically that value for money is being obtained for the services being provided

As part of the budgeting process, service contracts should be checked to ensure they are still appropriate and provide good value. The technical team, should determine if the level of repairs is higher than the norm and if so, take extra care to review the maintenance contract to ensure the service standard is met and value for money achieved. The team should also benchmark services between similar schemes to identify outliers.

There should be a continuous review of charges across the estate with emphasis on high cost areas for further investigation. This can then result in service redesign or consultation on ongoing services. For example, certain non-urgent works could be delayed and carried out as part of a larger tendering process to realise value for money through economies of scale.

Leaseholder input

BEO follows due process regarding tendering processes and requirements of section 20 but may wish to consider producing a schedule for contracts due in the next to help with future planning.

External examination of the accounts

There can also be additional requirements set out in the occupancy agreement. For example, it is usual for leases to include an absolute obligation on the landlord to provide the summary of relevant costs and for that summary to be audited. The current statutory position is that a resident paying a variable service charge can request the landlord to provide accounts known as a written summary of relevant costs, 'certified' by an independent qualified accountant, and defined by the legislation as a registered auditor.

Organisations that do not carry out a full external audit on service charges do an internal audit instead in line with best practice, and as a way to provide assurance to leaseholders. BEO currently does not carry out any form of audit on service charges. In order to give assurance that service charges demonstrate value for money, BEO may wish to consider carrying out an external validation. The rationale for carrying out such a review would need to be communicated clearly with the leaseholders as they may pick up the costs of such an exercise.
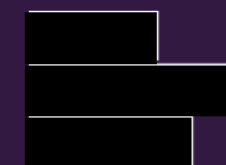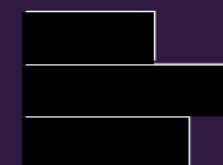
Service Charge Communication

Communication

Currently, BEO sends a letter in June with the estimates for the service charges for the coming year and provides comparison against the previous year estimates. Another letter is then sent in September detailing the balancing payment for the previous year with an explanation for the differences. Last year, a further letter was sent in November to provide an update on the rising costs and the impact it would have on the service charge costs.

As detailed in our stage 1 report, BEO needs to improve the communication with leaseholders on service charges to ensure it is easier to understand. Best practice principles on communication with leaseholders is that they should receive clear, accessible and timely information.

Clear

- Communication needs to be clear and easily understandable, written in plain English with less jargon.

- Communication should be written from the readers' perspective, with the residents in mind.

- Any data included in the documents should be presented in such a way that it allows easy comparison between different years.

- There could be the option to include graphs and charts as long as they are clear and easy to understand.

- There should be clear explanations for any variances between the estimated figures and not just state the what but explain the why.

- A detailed plan of works and when they will be carried out should be shared with leaseholders to ensure they are aware of future cost increases.

Service Charge Communication

Communication

Accessible

- BEO is using the City of London website to provide the additional service charge information, with leaseholders able to download the documents onto their computer to review at a later date. Need to ensure this is publicised to all residents.

- There is also the option to request paper copies, if required.

Timely

- Due to the reporting cycle, the actual cost for the previous financial year is not provided until the middle of the next financial year. Therefore, the letter sent to leaseholders in June compares the upcoming service charge with the budgeted costs for the previous year. This can be misleading as the actual costs for the previous year were c,29% higher than the budget figures.

- BEO should consider carrying out the reconciliation of the previous year service charges by June so that the budget figures for the upcoming year can be compared against actual costs incurred in the previous year,

- BEO should also consider communicating with leaseholders on a quarterly basis to keep them updated on expected changes to future costs (such as increases to energy costs or more information on the major works programme).

In order to visually illustrate the recommended changes we have summarised the service charge and performance monitoring annual cycle on page 60.
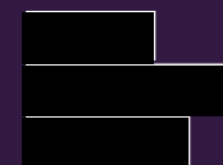
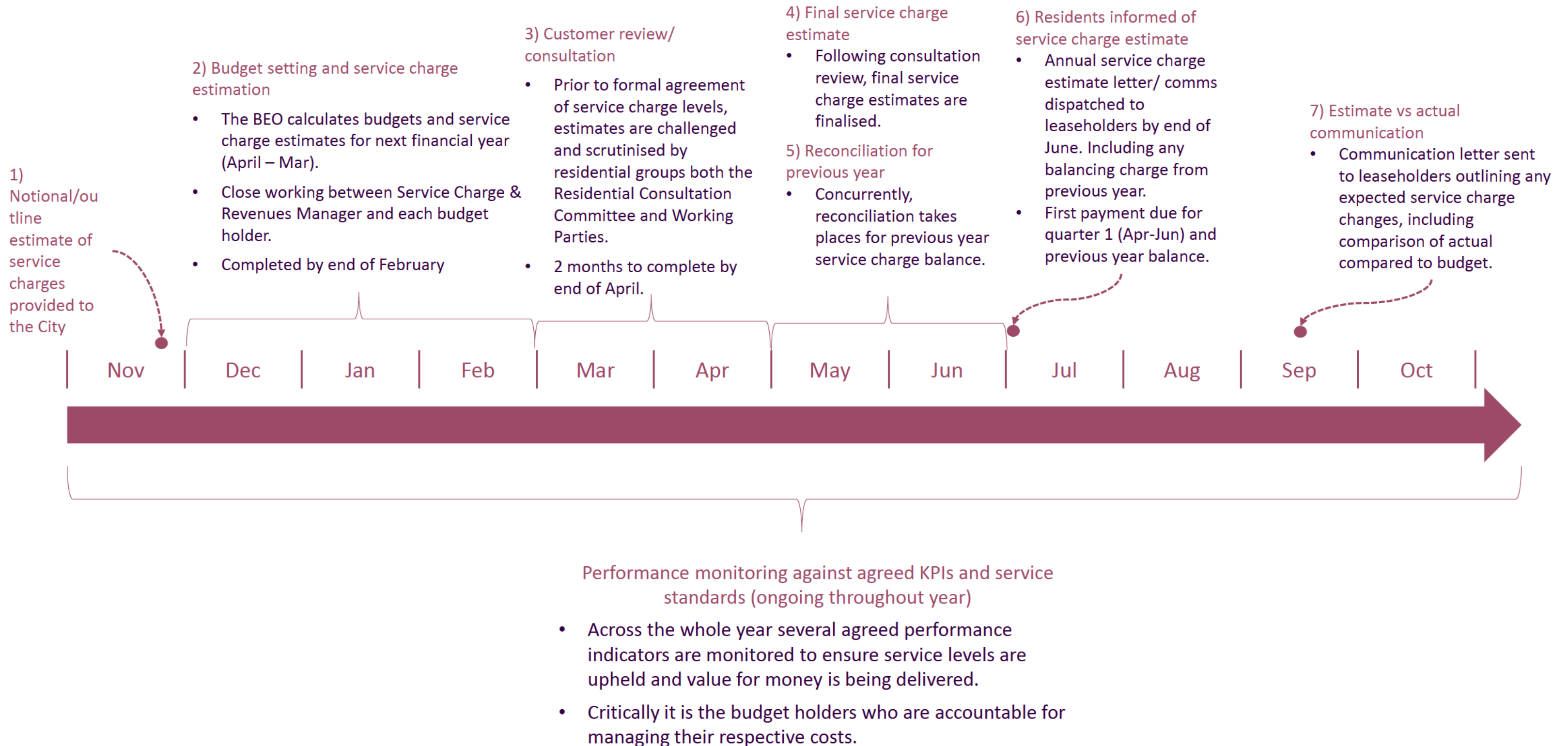# Budgeting, cost control and service charges – summary of recommendations

Below is a summary of the recommendation made in this section of the report.

Recommendation	What issue/s does this resolve	Ease of implementation
Carry out an independent, external validation of the service charges	• Greater accountability needed by budget holders to leaseholders to demonstrate the efficiency and value for money of the services they provide on an ongoing basis.	🟩
Start the budgeting process earlier to ensure all costs provided by other teams can be sufficiently reviewed by the finance team	• Improvement in the budgeting process. • Allow time to review service contracts to ensure they are still appropriate and provide good value. • Ensure costs are being correctly apportioned to the different accounts. • Include budget formulas for transparency	🟩
Embed a culture change where costs are being reviewed on a regular basis and measures taken to control them by the budget holder e.g. the monthly review meetings should be used to explore the variances in costs in more detail	• Ensure there is ownership of the costs in the budget by the budget holder, alongside a demonstrable responsibility for taking measures to control costs and reduce significant variances and be accountable to residents for any variances.	🟧
Review the communication letters sent to leaseholders to address some of the concerns raised in our Stage 1 report and provide training to staff where necessary.	• The contents of the letters includes what we would expect to be included. • However, communication needs to be clear, written in plain English with less jargon and offer detailed explanations for any variances. • Communication should be written from the readers' perspective, with the residents in mind. • Any data included in the documents should be presented in such a way that it allows easy comparison between different years	🟩
Carry out the reconciliation of the previous year service charges by June	• The budget figures for the upcoming year can be compared against actual costs incurred in the previous year. • Improved communication with leaseholders.	🟩
Communicate with leaseholders on a quarterly basis	• This will allow BEO to keep leaseholders updated on expected changes to future costs (such as increases to energy costs or more information on the major works programme)	🟩
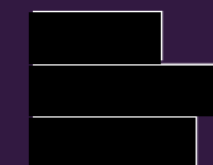
Service charge and performance monitoring cycle

On this slide we have summarised the recommended service charge and performance monitoring annual cycle timetable.

1) Notional/outline estimate of service charges provided to the City

2) Budget setting and service charge estimation
- The BEO calculates budgets and service charge estimates for next financial year (April – Mar).
- Close working between Service Charge & Revenues Manager and each budget holder.
- Completed by end of February

3) Customer review/ consultation
- Prior to formal agreement of service charge levels, estimates are challenged and scrutinised by residential groups both the Residential Consultation Committee and Working Parties.
- 2 months to complete by end of April.

4) Final service charge estimate
- Following consultation review, final service charge estimates are finalised.

5) Reconciliation for previous year
- Concurrently, reconciliation takes places for previous year service charge balance.

6) Residents informed of service charge estimate
- Annual service charge estimate letter/ comms dispatched to leaseholders by end of June. Including any balancing charge from previous year.
- First payment due for quarter 1 (Apr-Jun) and previous year balance.

7) Estimate vs actual communication
- Communication letter sent to leaseholders outlining any expected service charge changes, including comparison of actual compared to budget.

Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct

Performance monitoring against agreed KPIs and service standards (ongoing throughout year)
- Across the whole year several agreed performance indicators are monitored to ensure service levels are upheld and value for money is being delivered.
- Critically it is the budget holders who are accountable for managing their respective costs.

Key Recommendations (Phase 1)
Financial & Performance Reporting
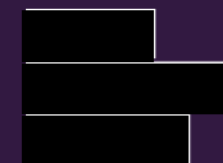
Introduction – Performance Framework

In this section we **address the following areas** identified from the Stage 1 review.

Organisational Design

- Performance management needs to be robust and consistent across all roles and linked to key performance indicators of services delivered across the Barbican as well as upholding the values and behaviours expected.

Customers

- There needs to be greater accountability by budget holders to leaseholders to demonstrate the efficiency and value for money of the services they provide on an ongoing basis.

Performance and data

- Data and information requires greater insight and narrative.

- A detailed framework for regular and consistent financial and performance reporting needs to implemented including trend information.

In the **following slides**, we set out a number of **recommendations** in relation to future performance framework and monitoring redesign. In designing the future framework, we have worked within a number of **best practice principles,** which include

- Golden thread throughout performance framework, from objectives through to performance indicators and aligned targets.

- Clear lines of reporting and timings to appropriate governance groups.

- Appropriate data assurance and governance procedures to uphold robustness and accurate of data and information

- Agreed set of performance indicators and success measures (targets) to monitor and inform service improvement

- Clear roles and responsibilities to manage and coordinate performance framework

Following our key recommendations we have **set out** a **high level performance framework**, which identifies the key residential governance groups engaged in performance reporting including their respective roles and responsibilities and outlined **typical performance measures**.

BEO Performance Reporting - Governance Groups

Key features of future Performance Framework:

- **Consistent KPIs** reported to all governance groups.
- For each Residential Consultation Committee, meetings take place on **quarterly basis** and hence performance reporting to be in line with meeting cycle.
- **House Groups** provided with same KPIs but on a more **detailed breakdown relating to their block/tower.**
- **Format** of reporting to be **consistent** and critically factor in historic data to show **trend analysis.**
- Working parties provided with performance data when required from standard performance report.
- Reporting to all committees and **managed** and coordinated by **BEO.**
- This is the current governance model which requires further review based on the Governance review by Town Clerks department and the outcome of this review.

Barbican Residential Committee

- Delegated authority for approval covering all aspects of BEO: estate management, property services/ contractor performance, major works and finance (including service charge and budgeting)

BEO is the service provider to all groups including coordinating and managing the performance framework

Residential Consultation Committee

- Committee is used for consultation purposes.
- Higher level performance reporting covering all aspects of BEO: estate management, property services/ contractor performance, major works and finance (service charge and budgeting)
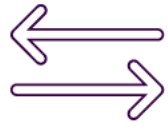
House Groups

- 22 House Groups representing each Barbican Building
- Same KPIs as other governance groups but provided on a each specific House Group for more detailed breakdown.

RCC Working Parties

- Working parties to discuss and follow up on specific aspects of the Barbican, e.g., service charge, asset and property maintenance, service level standards, underfloor heating
- No formal cycle of reporting

Barbican Estate Office
(service provider)

- Responsible for coordinating and managing performance framework including providing performance information to each residential governance group.
- Each team (finance, property service, estate management) are responsible for overseeing their respective KPIs.
- Contractor performance managed through Contract Manager/Surveyor (role TBC)
- Coordinates and liaises with the City of London on performance monitoring when required.

Future BEO Performance Framework – Recommendations

Key features of the proposed 'to be' interim Model (RAG colour denotes ease of implementation)	The case for change Key Drivers/ issues identified in Stage 1	Targeted Benefits	Key Considerations and Activities to Support Implementation
Agreed set of key performance indicators (KPIs) linked to objectives covering all aspects of the BEO, which provide a golden thread through all areas of performance reprting	• Currently there is no formalised performance reporting framework or agreed KPIs which are regularly reported. The performance information we have received has data gaps and does not cover all elements of housing and estate management across the Barbican. • As an example the performance information for repairs and maintenance is fragmented and hence it is difficult to hold contractors to account or display transparency of performance and VfM to residents.	✓ Up to date real time data and analytics to be used to inform services. ✓ Ability for the BEO to demonstrate level of value for money. ✓ Ability for residents to understand performance and draw insights across a range of areas.	• Requires level of consultation with residents to agree list of KPIs covering all aspects of the BEO, both repairs and resident services. May want to align/ factor in the City of London performance framework. Recommend a 'golden thread' from key objectives through to KPIs consistently monitored. • Typically we would expect a set of key performance indicators (KPIs) which are regularly collected and monitored to track performance – KPIs include finance/ budgets, number of first time repairs, repairs completed in target time, number of ASB cases and resident satisfaction, major works among others. • Recommendation that KPIs also cover internal people aspects such as sickness, labour turnover etc. To be reporting to the BEO/ internally only. • Consider the use of targets for each KPI, however this may be challenging given there is no overall corporate strategy or key objectives to align to. • Longer term consider potential use of benchmarking to assess the BEOs performance against peers.
Clear schedule of reporting to all key governance groups including standardised reporting across the BEO to each Housing Committee with transparency on timings and roles involved in gathering data/ info.	• Currently no standard form of reporting across the BEO both internally or to Resident Committee groups. Gathering data is very time intensive and is generally the responsibility of the Housing Officer. Information is supplied to residents when requested but is complex to understand and often fails to give the required answers, assurance or inform the resident of the potential impact on them. Reporting to leaseholders assumes knowledge of complex terms, which may not be the case. • There is a need for a streamlined approach to performance and financial reporting at a Housing Committee level, that provides each Committee with the required information and assurance but in am agreed, standardised format to reduce the resources required to undertake this activity but easily accessible for residents.	✓ Streamlined approach to reporting providing insight and assurance while not being too time intensive. ✓ Ability for residents to understand performance and draw insights across a range of areas.	• Consistent KPIs reported to all governance groups. For each Residential Committee, meetings take place on quarterly basis and hence performance reporting to be in line with meeting cycle. House Committee groups provided with same KPIs but on a more detailed breakdown based on patch. • Format of reporting to be scoped out and agreed, however recommendations are that reporting is kept high level and streamlined and easy for audience to understand while providing assurance. Recommended use of historic data to identify trends and where performance is lower than target additional context and steps to remediate should be outlined.
Oversight and accountability from senior leadership to analyse KPIs data to inform future service improvement	• No evidence that senior leadership across the BEO monitor on a regular basis performance information or data is strategically used to inform service improvement.	✓ Senior leadership take accountability in driving service improvement. ✓ Senior leaders are kept regularly informed	• Recommend that in addition to providing performance data to each residential Housing Committee, each team leader (estate services, repairs, service charge/ finance) more regularly monitor KPIs with role of the Head of BEO to provide overall oversight and engages/informs with City of London leadership where appropriate.

Future BEO Performance Framework – Recommendations

Key features of the proposed 'to be' interim Model (RAG colour denotes ease of implementation)	The case for change Key Drivers/ issues identified in Stage 1	Targeted Benefits	Key Considerations and Activities to Support Implementation
Key internal and external contractors are held to account through robust suite of KPIs and regular meetings.	• Currently not all KPIs within contracts are used to monitor external contractor performance. • Additionally, there is no robust contractor performance framework (or KPIs) to hold contractors to account.	✓ Contractor are held to account and may be incentivised to improve their services ✓ Demonstrates to all stakeholders including residents level of service delivery	• Consultation required with key contractors to ensure agreement regarding future KPIs and frequency of monitoring/ meetings. May have to align to current contractor management agreement in place. • Dependent on organisational design, the newly created contractor manager role may be tasked with engaging with and overseeing contractor performance. • Longer term recommend any agreed contractor KPIs are factored into specification when retendering.
Data is collected accurately and consistently to inform KPIs as part of a broader data governance approach	• In defining the KPIs there is a need to understand where data can be gathered and where data gaps may exist. • No evidence currently there is any data governance procedures in place to ensure the robustness and accurate being reported.	✓ Data is robust, reliable and accurate ✓ Stakeholders have confidence in the data that is being reported.	• Short term recommendation is focused around where the data currently exists and where there are gaps to populate on a regular basis agreed KPIs. There is a need to implement and embed the appropriate data governance policies and procedures including assigning responsibility for each team leader to ensure their data is accurate. • Longer term, depending on the future tech roadmap the potential use of an online portal could provide regular, automated data.
Resident feedback should be meaningful and gathered on a regular, live basis	• Currently residents are sent a feedback survey once a year and it is unclear what the purpose of the data gathered. • No other evidence of feedback being sought from residents.	✓ Feedback is meaningful and residents feel like their views and feedback is factored into service improvement. ✓ Regular and consistent resident feedback for the BEO to utilise to improve service delivery	• Recommend in addition to the annual survey, live, regular data is gathered for a range of key services. Practically and in line with our recommended process redesign, residents are sent a short feedback survey at the end of each case. The survey can be tailored depending on the case type (ASB, repairs etc). • In the short term it will likely be the responsibility of the property services desk to manually send out feedback survey, however long-term depending on the tech roadmap (including online portal) this process should be aimed to be automated.
Financial and budget reporting should be reviewed regularly by budget holders to control costs	• Costs faced by leaseholders are currently increasing, with significant variances from budget figures • Budget holders should be provided with regular finance performance figures to ensure measures can be put in place to stop costs spiralling	✓ Budget holders take ownership of the costs and investigate any significant variances from budget figures early on ✓ Easy to compare performance against budget and previous period	• Financial reporting should be included in the wider performance framework including being reported to governance groups and include the following: ○ Reports to budget holders provided on a timely basis (monthly/ quarterly), information should be easy to understand and have balanced information looking at past performance, actual data and budget figures, include key financial ratios in the reporting that are to be monitored consider visuals, if appropriate.

Recommended BEO Performance Framework

On the following slides we have provided an overview of the recommended performance framework including KPIs and example targets, tolerances levels to inform RAG ratings and reporting groups. Please note targets and tolerance levels are just examples and typically what we would expect however final levels will need to be agreed with relevant governance groups.

KPI No.	Key Performance Indicator (KPI)	BEO Lead (for reporting)	Annual Target (examples)	Annul tolerances (examples) Green	Amber	Red	Reporting Group Barbican Estate Office	Barbican Residential Committee	Residential Customer Committee	House Groups*
**Property Management** - These performance measures are in relation to the property management of the Barbican Estate including day to day repairs, cyclical maintenance works and major works.
PM1	**Total number of repairs** – Total repairs completed by the BEO (to be monitored and compared year on year).	Property Services Manager	TBC	TBC	TBC	TBC	✓	✓	✓	✓
PM2	**% Emergency repairs within target** - Number of emergency repairs completed within 4hours/24 hours including making good	Property Services Manager	100%	100%	100% - 90%	<90%	✓	✓	✓	✓
PM3	**% Appointed repairs exceeding target working days for completion** - Number of repairs completed in more than 20 working days compared to total number of repairs ordered excluding emergencies	Property Services Manager	<5%	<5%	5% - 10%	<10%	✓	✓	✓	✓
PM4	**% Split of repairs carried out by Resident Engineers and external contractors**	Property Services Manager	TBC	TBC	TBC	TBC	✓	✓	✓	✓
PM5	**% of repairs requiring a recall / repeat** - % of repairs that cannot be completed first time and require a follow up appointment.	Property Services Manager	TBC	TBC	TBC	TBC	✓	✓	✓	✓
PM6	**Average time to complete Appointed Repairs** - Number of days (average) to complete a repair (ex emergencies)	Property Services Manager	<10 working days	<10 working days	10 -20 working days	<20 working days	✓	✓	✓	✓
PM7	**% Appointed Repairs completed on first visit** - Number of repairs completed on first visit compared to total number of repairs ordered excluding emergencies	Property Services Manager	85%	85%	85% - 75%	< 75%	✓	✓	✓	✓
PM8	**% of planned testing activities completed within planned timescales** – Planned tests include emergency lighting, lifts	Property Services Manager	100%	100%	100% - 90%	<90%	✓	✓	✓	✓
PM9	**% of inspections completed** – Total repair inspections completed within time (total inspections equal 15% of all repairs).	Property Services Manager	100%	100%	100% - 95%	<95%	✓	✓	✓	✓

* House Groups provided with the same KPIs as other governance groups but on each specific building (patch based) giving a more detailed breakdown.

Recommended BEO Performance Framework

On the following slides we have provided an overview of the recommended performance framework including KPIs and example targets, tolerances levels to inform RAG ratings and reporting groups. Please note targets and tolerance levels are just examples and typically what we would expect however final levels will need to be agreed with relevant governance groups.

| KPI No. | Key Performance Indicator (KPI) | BEO Lead (for reporting) | Annual Target (examples) | Annul tolerances (examples) | | | Reporting Group | | | |
				Green	Amber	Red	Barbican Estate Office	Barbican Residential Committee	Residential Consultation Committee	House Groups
Property Management - These performance measures are in relation to the property management of the Barbican Estate including day to day repairs, cyclical maintenance works and major works.										
PM10	**Average cost per repair**	Property Services Manager	TBC	TBC	TBC	TBC	✓	✓	✓	✓
PM11	**% of failed inspections** – Percentage of repair inspections that do not pass the quality assessment threshold.	Property Services Manager	<5%	<5%	5-10%	>10%	✓	✓	✓	✓
PM12	**Major Works KPIs** – For all major works/ capital programmes a set of KPIs should be measured, examples: • Time taken to complete works (standards agreed based on work type) • Cost KPIs - estimate vs actual • Quality - any/number of defects. • Resident satisfaction (measured by client-not contractor) • Wider contract KPIs - social value, shared savings etc.	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Resident Services - These performance measures are in relation to the resident services across the Barbican Estate and any non-repair areas.										
RS1	**Number of Issues** – Total number of issues and repeat issues before they go into formal complaint.	Resident Services Manager	TBC	TBC	TBC	TBC	✓	✓	✓	✓
RS2	**Number of stage 1 complaints** – Number of current complaints at the stage 1 level.	Resident Services Manager	TBC	TBC	TBC	TBC	✓	✓	✓	✓
RS3	**Number of stage 2 complaints** - Number of current complaints escalated to stage 2 level.	Resident Services Manager	TBC	TBC	TBC	TBC	✓	✓	✓	✓
RS4	**% of total complaints that are unresolved cases**	Resident Services Manager	0%	0%	0% – 5%	>5%	✓	✓	✓	✓
RS5	**% calls answered within service level** – Year to date calls answer within target time. Monitoring also splits out between Property Service Desk and Resident Services.	Resident Services Manager	90%	90%	90% - 85%	<85%	✓	✓	✓	✓

Recommended BEO Performance Framework

KPI No.	Key Performance Indicator (KPI)	BEO Lead (for reporting)	Annual Target (examples)	Annul tolerances (examples)			Reporting Group			
				Green	Amber	Red	Barbican Estate Office	Barbican Residential Committee	Residential Consultation Committee	House Groups
Resident Services - These performance measures are in relation to the resident services across the Barbican Estate and any non-repair areas.										
RS6	**% of tenants transacting online/ portal** – long term metric for how many tenants using online portal	Resident Services Manager	TBC	TBC	TBC	TBC	✔	✔	✔	✔
RS7	**Tenant satisfaction %** – Overall level and then split between repairs, cleaning, security, car pars, delivery of the capital programme (based on customer feedback at point of service rather than annual survey).	Resident Services Manager	85%	85%	85% -75%	<75%	✔	✔	✔	✔
Finance – These performance measures relate to the financial viability and budgeting across the Barbican Estate Office.										
F3	**% of service contracts checked** to ensure they are still appropriate and provide good value	Service Charge & Revenues Manager	100%	100%	100% - 95%	<95%	✔			
F5	**% of service charge queries responded and resolved within target time**	Service Charge & Revenues Manager	Targe time to be agreed	Targe time to be agreed	Targe time to be agreed	Targe time to be agreed	✔	✔	✔	✔
F6	**% annual change in service charge levels**	Service Charge & Revenues Manager	TBC	TBC	TBC	TBC	✔	✔	✔	✔
F7	**% difference of actual variable (e.g. repairs) service charge cost against budget** – This metric will be split across the five service charge areas, Major works, Open spaces, Property management, Estate management, Customer care.	Service Charge & Revenues Manager	0%	0%	0% - 5%	>5%	✔	✔	✔	✔