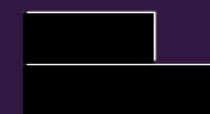


Confidential

Barbican Estate Office Review

**Interim Report – Appraisal of current
services**



Report Date
December 2022

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1. Introduction

To provide further context for this review, 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

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. This **interim report** sets out our **key findings for the first stage of the project**, which is 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 and detailed within the Heads of Terms, included in Appendix 1 of this report). It provides the baseline findings of the current service appraisal, which will be used to guide the priorities for the next stage of the project.

Details of the activities undertaken are set out on the right and the agreed project plan is attached at Appendix 1. Oversight of the project is being carried out by the Project Board which consists of the Chair of Residential Consultation Committee, the Interim Head of the BEO and the Assistant Director of Housing and Barbican alongside the project lead from Altair.

Prior to considering the detailed findings 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 develop and **ensure a single baseline understanding of the context for the further development of how the BEO should operate** to ensure the services it delivers are good quality and demonstrate value for money for those residents who pay for the services through their service charge account. It provides the foundation on which the next stages of work will be completed and provides a single reference point for all stakeholders.
- The findings set out in this stage of the project also provide an **external validation** of the key issues that should be addressed. Many of the areas cited in this report will already be known to the BEO and resident leaseholders, but there is value in having those areas externally validated and set-out in preparation of prioritisation in Stage 2.
- To provide a level of brevity in this report, we have not included information on or reference to every piece of data we have collected in the review to date. This report is **focused on the key themes and trends** most relevant to the development of the future development of the BEO. Wider data and information we have had access to have been used in the development of the report and can be cross referenced in any future design activities.

It is important to note that, whilst this review is being carried out across the Barbican Residential Estate there are also a number of internal audits taking place including cleaning stores stock management, overtime and agency worker approvals.

Activity	Purpose	Additional information
Document Review	To provide a background understanding and specific reference data for the Barbican Estate Office and services delivered to the Barbican Estate through the City of London.	Wide range of documentation reviewed including structures, financial, and performance data.
Discussions with staff	To provide insight and specificity into the functions and ways of working at the BEO.	Discussions completed with 35 staff members covering all functions and roles within the BEO and those delivering services to the BEO.
Discussions with residents and BRC members	To gain the view of residents on the services provided by the BEO.	121 discussions with more than 45 residents including House Chairs, Residents Consultation Committee (RCC) members and the Chair and Deputy Chair of BRC. More than 30 written correspondence from residents.
Survey	To gather views from as many staff and residents as possible.	Staff Survey issued to 80 staff with 8 responses Resident Survey issued c1400 residents with 175 responses.
Benchmarking	To compare staffing numbers, financial data and processes and performance data against other organisations.	Organisations benchmarked against includes two main groups Local Authorities and Housing Associations.

2. Appraisal of current services

Findings

The following slides provide information on our **key findings** for **Stage 1**. [redacted]
[redacted] plus findings specifically related to Leaseholders Service Charge Account. Under each area we identify:

- Key themes
- Supporting information / evidence / narrative to explain the theme
- Key areas to take forward from each theme for future development and consideration.

The themes and supporting information are based on all aspects of the work we have completed to date. This includes reference to key areas and findings from interviews, observations, surveys and documents provided and reviewed.

At Appendix 2 we set out more detailed information on the findings from the staff and resident surveys.



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

Customers

- 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

- 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.

Organisational Design

- There needs to 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.

Below is a summary of the key themes identified during 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 need to have the required access to all systems and be 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.

Findings	Comments and Supporting Information	Areas to Take Forward
Roles within the BEO structure lack the influence, control and oversight to ensure a customer first culture	Evidenced through: - Services across the Barbican Residential Estate are delivered by disparate teams, some of which operate outside the BEO and don't have a reporting line into the Head of BEO. They also sit within teams who have very little day to day contact with Barbican residents and therefore don't necessarily see things from a residents perspective e.g. energy team. - The House Officer role which is designed to be the "resident champion" lacks the authority and control to be fully effective.	- Head of BEO role needs to be reviewed and given sufficient control and influence to effectively deliver against their responsibilities and accountabilities to residents. - House Officer role needs to be reviewed and realigned within the context of it's original purpose to be a champion for residents.
There needs to be a greater emphasis on seeing things from a customer perspective and improved accountability for the customer experience with greater accountability of budget holders to leaseholders to demonstrate efficiency and value for money.	Evidenced through: - No single point of contact for residents or single customer channel for reporting issues. - This means there is no audit trail on reported issues and therefore an inability to provide residents with updates on progress and resolution. - Numerous roles can be involved in an issue, with no singular role having overall oversight of the issue. This is evidenced through the reporting repairs process, where a resident has various options for reporting a repair, it can be pass through two or three people before being logged and then there is no way for residents to see progress or when the repair has been completed. This means that residents and staff spend time chasing for updates and information. Not only does this lead to a poor customer experience but also takes up staff time, that could be better spent on more value added activity.	Processes and routes for residents reporting issues needs to be redesigned with easy to use single points of contact, that provide reassurance, feedback and progress updates to residents at specific points.

Findings	Comments and Supporting Information	Areas to Take Forward
Processes need to be fully documented to ensure they are understood and consistent in approach.	Evidenced through: - As with communication channels there have been formal and informal ways of working developed [REDACTED] - Equally, issues with communal areas can be communicated via BEO Reception, a Cleaner, a House Officer, a Car Park Attendant or a Resident Engineer. - As part of the document review we asked for any documented processes, none were forthcoming.	A review of current way of working on [REDACTED] processes needs to be undertaken to ensure fit for purpose and appropriately documented, suggest this includes processes such as: ✓ Reporting a repair ✓ Raising a concern/complaint
Roles require further clarity of what activity sits in which role to avoid duplication.	Evidenced through: - Both the House Officers and Cleaning Supervisors carry out cleaning quality inspections of blocks and towers. [REDACTED] - Car Park Attendants, Lobby Porters and Resident Engineers are points of contact for any issues a resident has overnight on the estate, which may include being locked out, low level anti-social behaviour/security. - Car Park Attendants/Lobby Porters and Resident Engineers “look out” for and follow up any concerns they may have regarding a vulnerable resident. - As mentioned previously any block issues and repairs can be reported via Property Services Desk, BEO Reception, House Officers, Cleaners, Car Park Attendants and Lobby Porters and Resident Engineers. - In some cases the issue may be resolved there and then, without being formally logged on any systems, this is most likely to happen for small incidents/repairs reported to Resident Engineers.	- 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. - The review will also need to take account of the process reviews and customer channel reviews referred to in this report.

Findings	Comments and Supporting Information	Areas to Take Forward
Policy and processes need to reviewed to ensure they are fit for purpose and need meet the needs of the Barbican residents.	Evidenced through: - Refund of deposits, taking up to 6 months to get small refunds as residents have to become suppliers and supply redacted bank statements to get refunds of around £150. - Repairs – gives no reassurance 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. - Hybrid working – it is unclear how this is being implemented in the BEO with some roles such as leaders and House Officers stating they do work a mix of home and office. However, if you look across similar roles in other organisations they would be required to be on-site at all times. [REDACTED]	A review of these key policies needs to be undertaken to ensure fit for purpose for the requirements of the Barbican Estate.
Budgeting and cost control requires improvement	Evidenced through: - Service charge costs increasing year on year, with actual service charge costs being c. 29% higher than budgeted figures for the last financial year. - Variances between budget figures and actual figures across all five service charge accounts covering a wide range of different services, some of which it should be noted are outside the control of the BEO e.g. increasing energy costs. - Residents feel that cost control is poor with low accountability to ensure the service charges and balancing surcharges (difference between estimated figures and actual figures) are kept to a minimum	- A review of the budgeting process needs to be undertaken to provide confidence to leaseholders. - Conversation with the finance team to understand the budgeting process in more detail

Findings	Comments and Supporting Information	Areas to Take Forward
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.	Evidenced through: • The majority of members of staff and residents we spoke to outlined various ways they communicate with each other, which seems to be largely dependant on who the resident has most interaction with and trusts to get something done. As outlined earlier this means an issue can go through two or three people before it is reported or resolved and there is no audit trail to understand what has happened. This results in duplication between roles having to handle the issue. • Some processes rely on word of mouth e.g. there were examples where residents report issues to Car Park Attendants who then have to speak to someone else to deal with, this could be a House Officer, a Resident Engineer or a Cleaner. The resident could equally report something to a Cleaner or a Resident Engineer, which then has to go through either the Property Service Desk or the House Officer. • Within the estate office there are also informal communication channels, an example being when a resident reports a repair at Reception, the person on Reception will go through to the Property Services Desk and tell them about the repair. There is an over-reliance on passing issues on verbally and it also means residents can by-pass the formal channels available.	• Processes and routes for residents reporting issues needs to be redesigned with easy to use single points of contact, that provide reassurance, feedback and progress updates to residents at specific points. • Informal communication channels and use of word of mouth needs to be removed from the processes.

Findings	Comments and Supporting Information	Areas to Take Forward
There needs to improved oversight and control of all services across the Barbican Estate.	The Barbican Estate is served by disparate teams who work both within the BEO and in the wider Corporation. Whilst this is not unusual in itself, unusually the Head of BEO role appears to have little influence or ability to hold to account other teams working in the Corporation who are delivering services to Barbican residents such as repairs. This means that the customer experience linked to these services and ultimately any issues that arise and need oversight and resolution are out of the control of the role that essentially is responsible and accountable to residents for the management of the Barbican Estate Office and services provided.	Head of BEO role needs to be reviewed and given sufficient control and influence to effectively deliver against their responsibilities and accountabilities to residents.
Roles need to be based on the demands of the service and value to residents and resource planning requires improvement to reduce the spend on overtime and agency staff.	- Spend on overtime and agency workers is consistently over-budget. At the end of September the budget for Agency staff is 125% overspent and overtime is 35% over-budget. However, 16% of this is off-set by an underspend on the salary budget. However, this demonstrates poor longer term resource planning, people management and cost control. - Agency staff account for over 20% of the Cleaner, Car Park Attendant and Lobby Porter’s total staff numbers. Out of the 14 agency staff currently working on the Barbican Estate, [REDACTED] - We saw no evidence of co-ordinated holiday planning for Cleaning, Car Park Attendants and Lobby Porter roles. As overtime was being used to cover holidays we assume there is no planning and co-ordination. - Overtime is used to cover specific permanent shifts e.g. weekend rubbish collection, which is likely to be more expensive. - Car Park Attendants reported being frequently required to cover car parks for staff off sick. As shown in our benchmarking later in this report, the Barbican Estates Office staff have significantly higher than the UK average sickness, primarily driven by front line workers roles such as Cleaners and Car Park Attendant and Lobby Porter’s.	- 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. [REDACTED]

Findings	Comments and Supporting Information	Areas to Take Forward
Roles have developed informally and without the required insight into what residents value or what provides good value for money to residents	Evidenced through: • Car Park Attendants and Lobby Porters taking responsibility for parcel deliveries for residents and developing an informal text service to replace the previous pink slip system. • House Officers have taken on tasks that pull them away from being on-site e.g. comms, leasehold permissions, constant email correspondence (this requires further analysis). • The Car Park Attendants and Lobby Porters were consistently cited by residents as the role they value the most, this is primarily driven through the safety and security residents feel from having not only this role on-site but familiar faces, and is an important reason why many have picked the Barbican Estate as a place to live. • The CPA role during the day is different to the night, when it's less about parking (car parks have very little if any, activity between 12pm and 6am) and helping residents with parcels, etc and more about presence and security. • Alongside the Car Park Attendant and Lobby Porters, Cleaners take up a significant proportion of Supervisors time. From the benchmarking detailed later in this report, we have found it is unusual to have full-time cleaners directly employed, this service is mostly out-sourced elsewhere.	• This area will be picked up as part of the structure review.
Lack of detailed analysis of capacity of roles	Evidenced through: • No detailed analysis of the cleaning role has been carried out to work back from activity to hours and FTE required to ensure adequately staffed. • Additional responsibilities have been added to the House Officer role, without understanding the impact e.g. communications, other admin tasks e.g. leaseholder permissions.	• This area will be picked up as part of the structure review as well as ways of working and process reviews.
Duplication of activity across roles	Evidenced through: • Both the House Officers and Cleaning Supervisors carry out cleaning quality inspections of blocks and towers. • Car Park Attendants/Lobby Porters and BEO Reception hold spare keys for residents • Car Park Attendants, Lobby Porters and Resident Engineers are points of contact for any issues a resident has overnight on the estate, which may include being locked out, low level anti-social behaviour/security. • Car Park Attendants/Lobby Porters and Resident Engineers “look out” for and follow up any concerns they may have regarding a vulnerable resident.	• This area will be picked up as part of the structure review as well as ways of working and process reviews.

Findings	Comments and Supporting Information	Areas to Take Forward
There needs to be an improved focus on staff support and wellbeing, including regular 121's and team meetings being held.	Evidenced through: • [REDACTED] • The weekly approach to shift patterns means that Car Park Attendance and Lobby Porters have to change their sleep pattern on a weekly basis. There is documented evidence to support this contributes to poor health of individuals. • Sickness rates in 2021/22 across the BEO (12.2 days lost per worker) is significantly higher than the UK average (4.6 days lost per worker) and primarily driven through sickness for front line service roles such as Cleaners, Car Park Attendants and Lobby Porters.	• As part of the BEO structure review, shift patterns for CPA's and LP's need to be reviewed. • Any long term absence cases need to be reviewed to ensure all appropriate actions have been progressed.
There is a tension between the responsibility of some roles and the authority of the role	Evidenced through: • Head of BEO role has no level of influence or ability to hold other departments within the Corporation to account. • House Officers have little visibility or authority over areas that are common causes of issues for residents e.g. repairs, major projects and cleaning.	• This area will be picked up as part of the structure and role review
There needs to be improved training for staff, particularly around people issues and performance management.	• There has been no evidence that Supervisors have received adequate training to deal with issues such as performance management, sickness, etc. • [REDACTED]	• Once the structure has been reviewed and roles defined, a full training needs analysis will need to be developed to ensure all required learning and development activity is identified

Findings	Comments and Supporting Information	Areas to Take Forward
Roles are operating on a reactive rather than proactive basis	Evidenced through: - Length of time and number of outstanding people issues e.g. sickness, disciplinary. - House Officers reported continuously chasing other teams e.g. repairs, major works, finance. - All staff we spoke to felt like they were “firefighting” and lacked the capacity to focus on improving services to residents, this is supported by the views of residents that staff lack responsiveness and proactive approaches to improving efficiency and quality of services. - Theses factors have contributed to low staff morale.	This area will be picked up as part of the structure and role review
Additional leadership roles are masking fundamental issues with the structure and poor performance management. In addition, 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.	- There are four layers of leadership from Head of BEO to Cleaners. This is unusual in a team of this size, where the activity of front-line workers in not complex. It is more likely to be a symptom of poor resource planning, lack of robust and consistent performance management which is leading to an increased number of “people issues” supervisors are having to deal with. - This is further compounded by supervisors not having adequate leadership experience and training. - The team is currently operating with four Supervisors as oppose to six, one of which is a temp, who does not have access to all systems, - All of this is resulting in Area Estate Managers then having to get involved in issues Supervisors should be dealing with. - Lack of 121 records - No evidence of team meetings regularly taking place - Number of people issues and length of time taking to resolve	- This area will be picked up as part of the structure and role review - A robust performance management framework needs to be implemented and carried out consistently, with appropriate training given. - This needs to include elements that drive culture change including values, behaviours and a more customer focussed approach.

Findings	Comments and Supporting Information	Areas to Take Forward
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.	Evidenced through: • Commonly held view of staff and residents • Number of requests for additional information and data from residents as they question and integrate information more, due to lack of trust in what they receive. • Staff feel they have to “justify” everything they do. • All of which is leading to a tense relationship between Residents, the BEO and City of London and between BEO staff and BEO leaders.	• Approaches to collaborative and partnership working will need to be reviewed and implemented, this review will provide opportunities for this
There needs to be 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.	Evidenced through: • Recent communications regarding service charging where the data was difficult to understand, it explained what was happening but not why or the impact on residents. • Overall from the communications reviewed it is clear they are written from the writers not the readers perspective. • Number of issues raised around repairs and major projects such as windows and redecorations	• Good communication skills are a pre-requisite for any role, this should be tested and training offered where appropriate. • A communications framework for the BEO should be agreed collaboratively between residents and Head of BEO and other teams including major works.

Findings	Comments and Supporting Information	Areas to Take Forward
Increased focus on improving staff morale, including ensuring regular 121's and team meetings are carried out.	Evidenced through - Lack of 121 records - No evidence of team meetings regularly taking place - Number of people issues and length of time taking to resolve - High than average sickness levels - Number of agency staff - Staff feeling as though they are “firefighting” constantly - Role creep that has developed	- A robust performance management framework needs to be implemented, with appropriate training given. - This needs to include elements that drive culture change including values, behaviours and a more customer focussed approach.
Contractor/project management requires improvement	Evidenced through - Agency Worker quality, costs and length of time Agency Workers have been working for the City - 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. - Number of resident issues raised around recent redecorations. - Failure to spot issues with energy readings earlier in the year, even though monthly billing and reconciliations take place.	- The structure within the BEO need to ensure there is a role and sufficient capacity for carrying out quality checks and performance reviews of contractors from a client (BEO) perspective. - 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.

Findings	Comments and Supporting Information	Areas to Take Forward
Progress with key actions promised by the City of London needs to be quicker to improve the confidence of both BEO staff and residents.	Evidenced through - Time taken to complete and report on stock condition surveys, over 12 months - Time taken to resolve energy charging issues - Time taken to undertake major work projects e.g. water penetration, window replacements	This will be picked up as part of any agreed performance reporting framework.

Findings	Comments and Supporting Information	Areas to Take Forward
There needs to be Improved use of technology to improve efficiency and effectiveness of services and 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.	Evidenced through: • Ways of reporting issues are either done via word of mouth, phone or email. • Communication is done via word of mouth, phone, notices around the estate and email. • BEO only have an email address for around 70% of residents. • Systems such as spare key logs, incident logs are a mix of manual and computer records. • There seems to be an issue with more dispersed colleagues accessing some systems e.g. we spoke to one Lobby Porter who had been unable to access the internet for more than 2 months. • Implementation of the █████ system commenced in 2022 but little evidence of how this has been implemented within the BEO to improve efficiency and quality of services/resident communications. • There is a longer term plan to introduce a resident portal across the City of London estates but saw no evidence of an agreed plan or timetable for this.	• This will be picked up as part of the process reviews and implementation of an agreed communication framework. • Processes and routes for residents reporting issues needs to be redesigned (including use of tech) with easy to use single points of contact, that provide reassurance, feedback and progress updates to residents at specific points. • The City of London needs to clearly set out the plan (aligned to the broader comms plan) and timescales for implementing a customer portal or app across the Barbican Estate.

Findings	Comments and Supporting Information	Areas to Take Forward
Data and information requires greater insight and narrative.	• Staff do their best to provide data that is requested by residents, however often it is hard to find, complex and difficult to understand, • Communications often include “jargon” that non-technical residents may not understand and lacks use of plain English, the most recent example being the recent communications regarding service charge position. • Reports are long and complex and often fail to answer the specific questions residents want to know “why has this happened?”, what is being done to resolve?”, “what is the impact on residents and/or service charges?”. Recent examples include recent reports and updates to RCC on stock condition survey, energy issue. • In our discussions with residents the word “opaqueness (in data and information)” was commonly used, which reinforces the view data is provided but with very little background, context, reasoned explanation and future impact on residents, services and service charging. Often residents feel “fobbed off”.	• Communication with leaseholders needs to be reviewed to ensure it is clear and easily understandable, with less jargon and data included to ensure easy comparison between different years • There should be clear explanations for any variances between the estimated figures
Budgeting and cost control requires improvement.	• There is lack of control on costs, with for example service charge costs increasing year on year and residents not confident that value for money is being achieved • Variances between budget figures and actual figures across a range of different cost centres	• A detailed review of the budgeting process needs to be undertaken to provide confidence to leaseholders.
A detailed framework for regular and consistent financial and performance reporting needs to implemented including trend information.	• There is a lack of data and information available to monitor the performance across the Barbican and hence it is difficult for the BEO and wider stakeholders including customers to understand performance and draw insights across a range of areas. The performance information we have received has data gaps and does not cover all elements of housing and estate management. 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 value for money to residents. • Typically we would expect a set of key performance indicators (KPIs) which are regularly collected and monitored to track performance – KPIs include number of first time repairs, repairs completed in target time, number of ASB cases and resident satisfaction among others.	• A clear, robust performance framework needs to developed and implemented with agreed KPIs for ongoing monitoring, which should be used to set individual targets and objectives through the performance management framework.

Findings	Comments and Supporting Information	Areas to Take Forward
Communication with leaseholders	- Communication at the start of the year about estimated service charges is very detailed, with estimated costs split out by the five different accounts. There is commentary on the % change between the proposed estimate cost and the previous year’s estimate. However, as the actual costs incurred were about 29% higher than the estimated costs for the previous year, it can be misleading to continue to compare this year’s costs with last year’s estimates. It would be more meaningful to compare this year’s estimate with last year’s actual costs incurred. - There is a description of what constitutes each account, and some explanation is provided for any significant changes from the previous year. However, this explanation can be hard to understand sometimes, with the commentary stating facts, without providing more information for the cause of the variances. - An update midway through the year is provided. The figures provided in the letter are very confusing and requires the reader to do additional calculations to be able to make any comparisons to the previous year figures. The headings are also very ambiguous and makes an assumption that the reader is aware of the technical terms that management uses in its internal reporting. On a presentation note, the figures in the column don’t line up with the headings and is very hard to follow.	- Communication with leaseholders needs to be reviewed with the Service Charge Working Party to ensure it is clear and easily understandable - The information in the letters needs to be easier to read and understand, use less jargon and more plain English - There should be clear explanations for any variances between the estimated figures and not just state the what but explain the why
Demonstrating value for money	- The service charges are estimated at the start of the year and communicated with the leaseholders. Any shortfall in the service charge costs is charged to the leaseholders as a balancing surcharge. Service charge costs have continued to increase year on year. Residents do not feel that there is a check and balance in place to ensure costs are controlled in line with the estimated figures and budget holders do not seem to be held to account. This goes to the heart of the value for money issue with leaseholders not confident that service charges are efficient. - Poor initial budget setting by service budget holders could explain the cause of the service charge deficit. Budget holders don’t appear to be held accountable or reprimanded for poor budget setting and forecasting, which further leads to leaseholders feeling that value for money is not being considered.	- Communication with leaseholders needs to be clearer to assure them that costs are being controlled or provide clear explanation for why costs are increasing - There needs to be more rigour around the budget setting process, with regular reporting that holds budget holders to account for any variances. - Budget holders need to be accountable for any variances.

Findings	Comments and Supporting Information	Areas to Take Forward
Apportioned costs	- Some of the employee costs are charged back on a time-basis (such as resident staff costs, cleaners' costs and housing officers), which is likely to vary from year to year depending on how much time they spend on a particular block. We are told that the residential costs are allocated fully to the service charge as the accommodation is provided for out-of-hours and emergency call outs, however residents feel that this is not an entirely fair apportionment of these costs. - The car park attendants' costs are apportioned according to a % set out in the individual lease agreements. - Residents are aware of this and have raised a concern with percentage used to allocate other BEO costs, including corporate overheads received from other City departments to the SC account. Residents feel that there is asymmetry between pressure to reduce Landlord non-SC account costs and the more passive, 'no-liability' nature of the SC account costs.	- There should be clear communication with leaseholders on how overheads are apportioned. - In line with best practice, costs should be apportioned out in a fair and consistent manner. There should be clear analysis of activities undertaken, time required, salary and staffing on costs. Current methodologies of attributing costs (timesheets and standard percentages) need to be reviewed for accuracy and fairness. - Some organisations have moved to a fixed fee as with larger service charges they felt the percentage approach was becoming disproportionate.
Repairs	- General repairs are one of the larger and more variable elements of service charges costs. There does not seem to be an asset management plan or cyclical repairs plan in place, with works being tendered on a piece-meal basis rather than a competitive tender for major works. This has a direct impact on the costs that leaseholders are facing. - With the stock condition survey now undertaken, a five year major works and redecoration programme is being developed, which will be shared with leaseholders in due course.	- With the stock condition survey undertaken, an asset plan should be developed, with major works tendered out to ensure leaseholders realise value for money. - Residents should be consulted on the detailed plan of works, when they will be carried out, procurement and cost. - Monitoring of progress across major works programmes and spend should be included in performance reporting.

Other observations: Summary

During the review we had 121 discussions with 35 members of staff and 45 residents. We would thank to both staff and residents for their time and input into this review. During our discussions we observed the following;

- Both staff and residents were keen to engage with and input into the review.
- Staff and residents were very open and honest during discussions and very happy to answer questions and provide examples and additional information where requested.
- In particular, staff were very helpful and responsive to our requests for data and information.
- Both staff and residents put forward positive and constructive suggestions for areas they felt could be improved.

Whilst the nature of the report necessarily focuses on those areas that were identified as being areas for improvement, it is important to acknowledge the positive aspects that were found during the review.

- Staff and residents have a real sense of pride in the Barbican.
- There is a desire by both staff and residents to work more collaboratively together.
- Residents recognised and acknowledged the value they place on staff within the Barbican Estate Office, in particular the sense of safety and security they get from having familiar staff on site, naming car park attendants and lobby porters particularly.
- Staff are committed to improving services and put forward constructive suggestions for doing this
- Resident engineers are very knowledgeable about the estate infrastructure, which is complex in nature.
- There was evidence of regular communication between staff and residents.



3. External review

External review – Overview

As part of this project , we have completed a **benchmarking review** to compare the Barbican Estate Office against other housing providers in the following areas:

- Estate leasehold management and service charge best practice
- Sickness, staffing numbers and salary levels against comparator organisations
- Repairs and maintenance cost against comparator organisations

This information, alongside the findings outlined in Section 2 of this report, provides an initial assessment of how Barbican Estate Office compares and can also be used to inform the future design and options to be completed in the next stage of this review.

It should be noted that although a useful tool, benchmarking should be treated with some care. For example, no two organisations; are directly comparable in terms of priorities or activities, operate the same staffing structures, use the same systems, pay and reward structure or financial model. These are all variables which impact on the number of staff required and cost structure of an organisation, leading to wide differences across organisations. As such, **care should be taken when reviewing benchmarking results, they should be seen as ‘indicative of a direction of travel’ rather than provide a precise definition or target for what the costs or numbers of a structure should or could be.**

With that in mind, we have compared Barbican Estate Office against organisations from sectors which can be seen as broadly comparable but also looking across the housing sector

The following slides provides a summary overview of the key findings from the benchmarking exercise.

External review – Leasehold Management Best practice



In order to understand best practice in regard to leasehold management we have referred to the **Association Residential Managing Agents (ARMA)** to outline key principles associated with best practice. Founded in 1991, ARMA has the aim bring together professionals involved in private residential block management and set high standards in residential block management.

Additionally, the **Royal Institute for Charter Surveys (RICS)**, a world leading professional body for qualifications and standards in land, property, infrastructure and construction have developed the *Service Charge Residential Management Code* aimed at providing a framework of best practice for landlords of leasehold residential properties and managing agents. In section four of this report we have undertaken an assessment of the current as is Barbican position against several best practice principles. The following slide outlines some best practice in specific relation to service charge setting.

ARMA Consumer Charter

- Be **honest, fair, open** and **transparent** and provide a timely and professional service with access to the information needed
- Act with **skill, care, diligence** and without discrimination
- Make sure that all their **staff** are appropriately **trained** and **knowledgeable**
- Have written **terms of business**
- Provide their **complaints handling** procedure specifying the ombudsman scheme to which they subscribe
- Comply with all relevant **legal requirements** and relevant codes of practice;
- **Avoid conflicts of interest**
- Maintain clear, **accurate** and up-to-date **financial records**
- Ensure that any client **money** held is held **separately** from the **managing agent's** other monies
- Hold appropriate Professional Indemnity **Insurance**

RICS – Summary of Code

The Code promotes desirable practices in the management of residential leasehold properties and aims to: Improve general standards and promote best practice, ensure the timely issue of all documentation including budgets and reduce the causes of disputes. **Key areas of the code:**

- **Ethics including conflicts of interest** - Professional ethics are the standards of performance and service that the general public can expect to receive from a professional managing agent
- **Duties of a managing agent** – Compliance with legislation and leases and monitor quality and cost of services and manage properties in a open and transparent way.
- **Complaints and disputes** – Clear procedures in place for handling complaints and dealing with disputes.
- **Accounting for other people's money** – Clear understanding and transparency of the meanings of 'client money' and 'client'.
- **Service charges, ground rent and admin charges** – Identify what costs are recoverable as a service charge and when they are due for payment and should advise clients if their instructions deviate with clear budgeting/ estimating processes.
- **Health and safety** – Ensure all buildings/estates under management meet the relevant standards under the health and safety statute and regulations.
- **Repairs and other services** - Leaseholders should be told how and to whom repairs should be reported with a clear scheme inspections to inform programme of planned and cyclical works.
- **Contractors and suppliers** – Clear criteria for selection and robust procedures in place for monitoring all contractors including checking standard of work carried out.

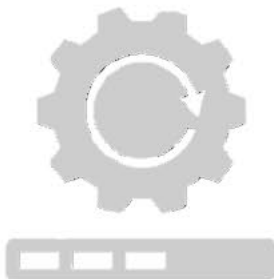
External review – Service charge best practice



Calculating Service Charge Budget – Suitable due diligence and professional expertise should be used to make an assessment of expenditure required to maintain the development and services for the forthcoming period (typically a year) and beyond. Similar to when securing instructions, here too organisations must not purposely underestimate costs or provide leaseholders with misleading estimates of future contributions required. The best information available should be used to inform the budget estimate:

- actual costs where contracts are already in place and/or the actual costs for the following period have already been agreed
- estimates based on likely out-turn of current year, actual accounts for the last completed financial year
- Compare the previous year’s actual spend when budgeting for the next year
- comparable evidence from similar schemes, which is often the best information available for some costs on new developments

Where service charge costs are not known, the budget should be set by the appropriate budget holder with knowledge of their area, and this can be appropriately apportioned to service charges and budget holders are accountable for increasing accuracy of setting budgets.



Accounting for service charges - An annual statement should be issued to leaseholders following the end of each service charge period, giving a summary of the costs and expenditure incurred and a statement of any balance due to either party to the lease. It is also recommended that explanatory notes are included. The accounts should be transparent and reflect all of expenditure in respect of the account period.

Initial service charge demands should be accompanied by a copy of the approved budget. This budget should have sufficient detail to enable leaseholders to understand the nature of the charges being levied and the rationale behind the level of estimated expenditure. To allow comparison between years, there should be a standard format for presentation to leaseholders. Organisations should notify leaseholders of significant departures from the budget and should be willing and able to explain the reasons for them in a clear and concise way that is easy to understand.

Service charge accounts should be subject to an **annual examination** by an **independent accountant**.

External review – Benchmarked costs

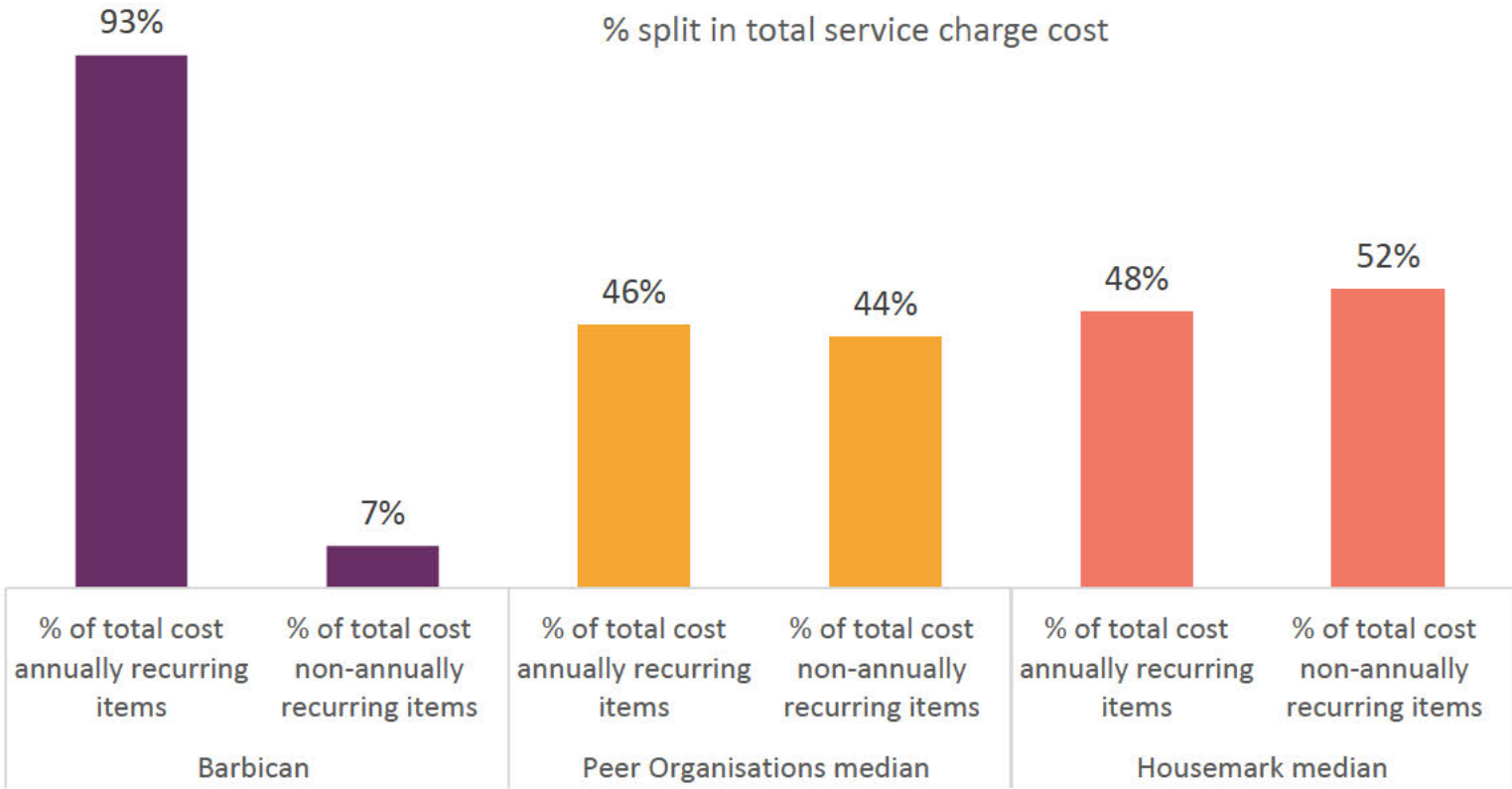
On this slide we have benchmarked the Barbican’s total service charge cost per property against peer median. Overall, the Barbican has **higher** service charge costs per property **which is primarily driven through annually recurring items**: costs of management and supervision, salary costs, general repairs and maintenance, electricity and heating and open spaces, compared to non-annually recurring items: major works and supplementary revenue projects. A high proportion of Barbican’s annual recurring costs (31%) is through staff salary costs and reflects the additional services the Barbican provides which we do not typically see with modern estate management such as daily rubbish collection and 24/7 concierge cover. Another high expenditure item is general repairs and maintenance, which we have detailed in the next slide.

Lastly, when compared to peers, the Barbican’s split of service charge costs between annual recurring items and non-annual recurring items is significantly weighted towards the former and we typically would expect a more balanced split as shown by the chart below.

	Service charge cost per property	Annual recurring items cost per property	Non-Annually Recurring Items cost per property
Barbican	£5,724	£5,304	£420
Peer Median*	£4,193	£1,919	£1,829
HouseMark Median**	£3,289	£1,578	£1,711

*London based housing providers (HAs, LAs and ALMOs) with 5,000 units or fewer.

**Total of 30 housing providers (HAs and LAs), London based



Based on actual 2021/22 figures **general repairs** for the Barbican estate totalled circa £2.44m and **total maintenance and repairs** circa **£3.47m** and hence a significant proportion (30%) of total service charge costs. Below we have benchmarked overall repairs and maintenance costs (excluding any major works) against peer organisations with supporting context and analysis.

Additionally it is our understanding and confirmed through the City of London’s Asset Manager that the current **schedule of rates** for repairs is in line with the industry recognised Building Cost Information Service (BCIS) rates.

Another supporting point to note is the lack of **data and information** available to monitor the **performance** of repairs and maintenance and in turn critically hold any contractors to account, while also displaying transparency and value for money to both the BEO and customers. Typically, and in line with standard practice, we would expect a set of key performance indicators (KPIs) which are regularly collected and monitored to track performance – Standard KPIs include number of first time repairs, repairs completed in target time, and resident satisfaction among others.

	Total repairs and maintenance cost per property
Barbican	£1,725
Lower Quartile	£903
Peer median	£1,102
Upper Quartile	£1,352
Range (min and max)	£693 - £3,187

In summary, this analysis shows:

- When compared to other housing providers the Barbican’s repairs and maintenance cost per property is higher than peers at £1,725 per property compared to a median of £1,044 property and upper quartile of £1,347.
- It is important to provide context that our benchmarked group consists of small sized (fewer than 5,000 units) housing associations who have a property stock that may vary in condition. This includes a mix of newer builds and some legacy stock which typically has higher associated repairs and maintenance expenditure. Nevertheless a likely driver behind the higher repairs and maintenance costs when compared to peers at the Barbican is due to the fact it is a listed building.

On this slide we focus on providing an analysis of the **Barbican's overall staffing** numbers against peer organisations which includes small LAs and London HAs. There is an obvious link between organisation size and number of roles required within the staffing structure therefore we have used the metric of roles FTE per 1,000 units providing further insight into whether an organisation is over or under-resourced.

	All roles FTE per 1,000 units	Housing Management FTE per 1,000 units	Estate Services FTE per 1,000 units
Barbican*	26	2.25	51.75
Lower Quartile	3.7	3.0	1.1
Average	9.3	4.3	8.2
Upper Quartile	12.8	5.7	15.3
Range (min and max)	2.4 – 29.5	1.2 – 6.3	0.7 – 23.9

**Total FTEs for BEO excludes 4 Resident Engineers roles and the House Officer for Commercial Properties.*

Please note to reflect that leasehold housing management is less intensive than non-leasehold management which the majority of our peers undertake we have reduced our benchmarked peers FTE numbers by 30%.

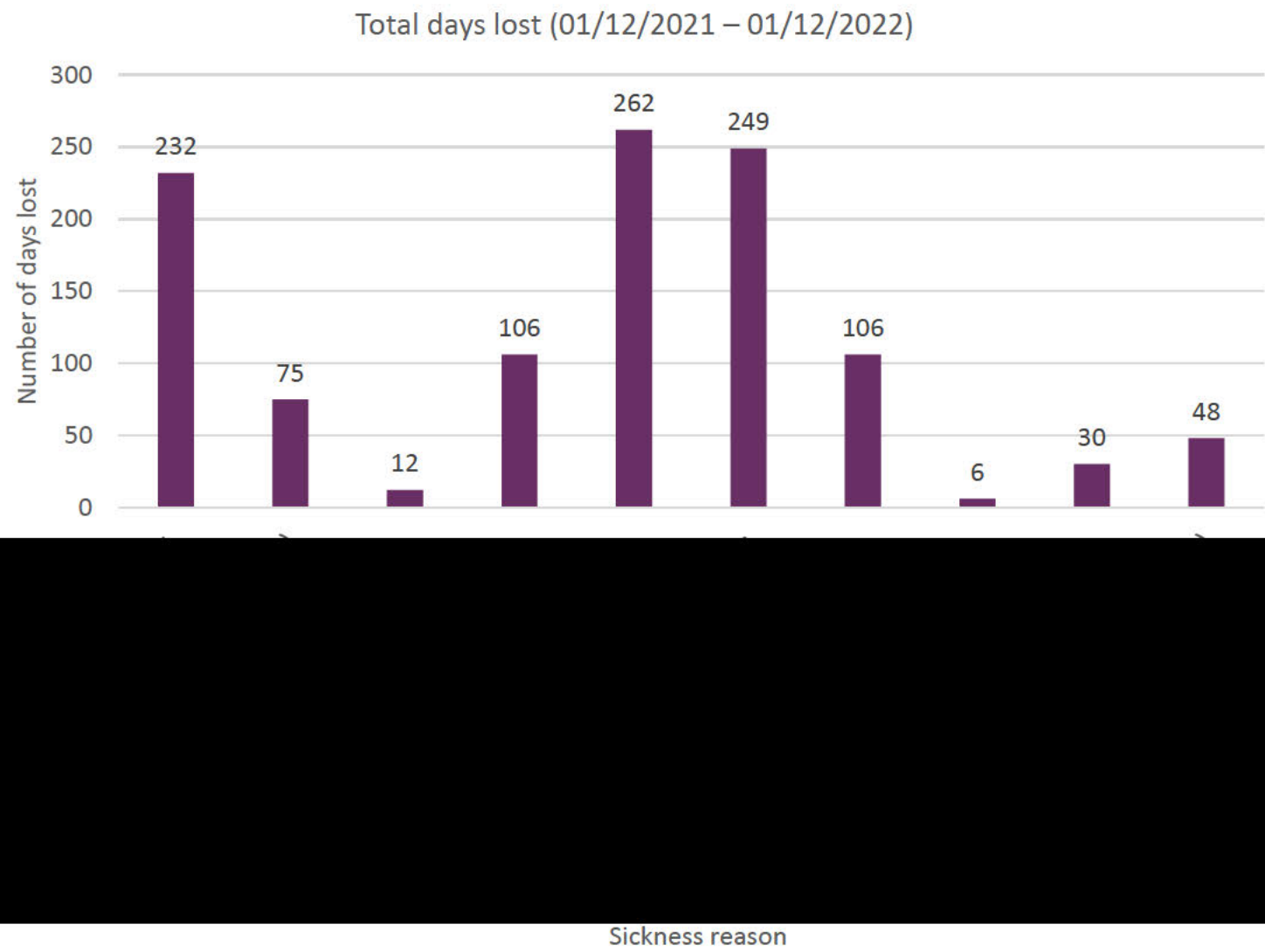
In summary, this analysis shows:

- The BEO has significantly more total staff members for its size when compared to peers. Out of our sample size the BEO had the highest FTE roles per 1,000 units.
- The higher levels of staff within the Barbican Estate Office is primarily driven by significantly higher numbers of estate management staff, mostly frontline workers including Cleaners. For the majority of organisations benchmarked, cleaning roles are not included in the formal organisation structure and strongly indicates these roles are contracted out to a third party.
- In addition, benchmarked organisations did have estate management roles including supervisors and concierges however significantly fewer roles for the number of properties managed and often concierges were not a 24/7 service. It is important to note that a key difference with Barbican is that the number of “Estate Concierges” also referred to as Car Park Attendants is driven by the number of car parks within the Barbican hence the higher numbers than others in the benchmark group..
- We have also analysed the span of control of each supervisor who oversees cleaner and concierge roles. Although the majority of our peer group outsource these roles, the ones who directly employ generally have a lower number of concierges and cleaners to manage, the supervisor roles would include other aspects of facilities e.g., wider maintenance roles, contractor management, etc, with circa 12-15 roles typically being managed per Supervisor.
- For housing management roles, the BEO is conversely lower compared to peers and below the lower quartile level.

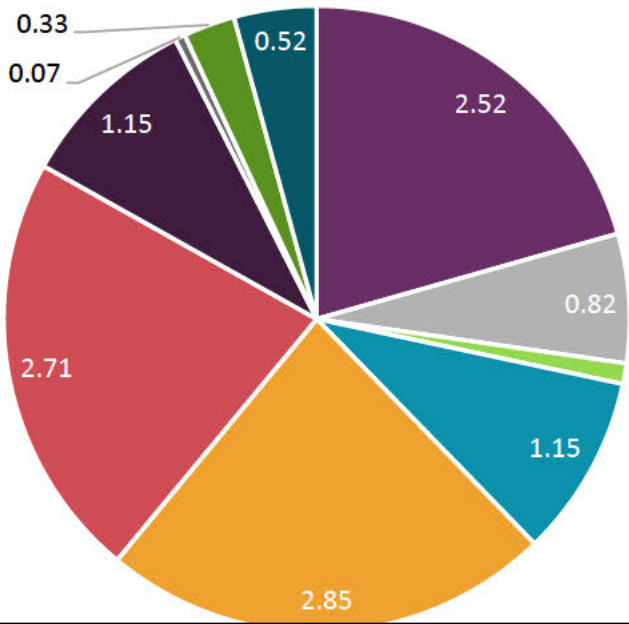
Benchmark organisations are not directly comparable e.g. affordable housing which has different priorities e.g. income protection

External Review – Benchmarked sickness

The chart below shows a breakdown of Barbican Estate Officer **staff sickness** from Dec 2021 to Dec 2022. Analysis shows the total number of days lost was 1,126 (12,307 working hours) equating to total days lost per worker of 12.2, which is significantly higher when compared to the UK average* of 4.6 days and 6.8 days for workers in caring, leisure and other service occupations.



Average days lost per worker (01/12/2021 – 01/12/2022)



Office for National Statistics – Sickness in the UK Labour Market 2021 - <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/sicknessabsenceinthelabourmarket/2021>

External review – Benchmarking staff salary and benefits

Below we have detailed the **core benefits** for Barbican staff and comparison against three comparator groups, London based LAs, Non LA housing providers and [redacted] e.g. cleaning companies, security companies, staff agencies.

Overall results indicates that benefits offered to Barbican staff is broadly aligned to other London LA’s but more generous than Non LA housing providers. However, against more commercial service organisations, who would commonly employ roles such as cleaner, porter, concierges, the benefits provided to Barbican staff is significantly higher, with most offering only statutory benefits.

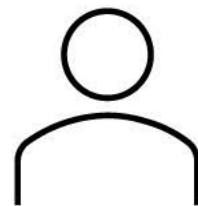
This is further demonstrated on the next slide where we compare the total reward of three BEO roles, Concierge, Cleaner and Resident Engineer.

Benefit	Barbican staff provision	London based Las	Non LA housing provider	Commercial Service Organisations
Pension	21% superannuation contribution	All organisations offered the LGPS Defined Benefit with contributions ranging 18% - 21%	All organisations offered a Defined Contribution Median percentage was 8.5%	All organisations offered the statutory minimum of 3%
Annual Leave	28 days (plus ability to buy additional leave)	Average annual leave entitlement was 26 days, which increase to 30 after 5 years	Average annual leave entitlement was 27 days, which increase to 30 after 5 years	All organisations offered the statutory minimum – 20 days excluding bank holidays
Sick Pay	Enhanced sick pay provision	38% of organisations had enhanced sick leave provisions up to 12 months paid	40% of organisations had enhanced sick leave provisions up to 6 months paid	All organisations statutory sick pay only
Flexible Working	Yes - Through formal City of London application process and ‘Flexi Leave days’	50% of organisations offered flexible working	80% of organisations offered flexible working	No benefit
Training & Development	Offer sponsorship of professional development	13% of organisations offered sponsorship of professional development	60% of organisations offered sponsorship of professional development	No benefit

External review – Benchmarking staff salary and benefits

Below we have detailed the total reward package for the Resident Engineer and Concierge roles and compared the salary to peer organisations. This shows that against peer organisations, the total reward offered to Barbican staff is significantly higher than roles in other organisations in the sample.

Resident Engineer



	Resident Engineer (BEO)	Peers
*Base annual salary		
London Living Wage	£5,970	£5,500
Pension		
Total reward package		
Other	- Council tax and water rates are also paid. - Accommodation provided on Barbican 28 days holiday excluding bank holidays	26 – 30 days holiday excluding bank holidays

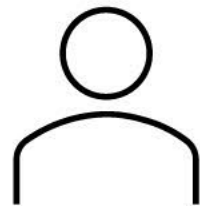
BEO Resident Engineers
Peer Comparison

Base annual salary - 6% more
London Living Wage - 8% more
Pension - 268% more
Total reward package - 17% more

BEO Lobby Porters
Peer Comparison

Base annual salary - 21% less
Pension - 579 % more
Total Salary Package - 27% more
**Included in above, not paid separately

Concierge



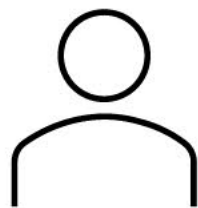
	CPA/ Lobby Porter (BEO)	Peers Lobby Porter
*Base annual salary		
London Living Wage	£5,970	£5,500
**Contract hours		
**Unsociable hours		
Pension		
Total salary package		
Other	28 days holiday excluding bank holidays	20 days holiday excluding bank holidays

*All BEO staff in 2022/23 got a £1000 winter payment which is excluded from our review

**Based on current shift pattern

Below we have detailed the total reward package for the Cleaner role and compared the salary to peer organisations. This shows that against peer organisations, despite the higher initial salary, the total reward offered to Barbican cleaners is higher than roles in other organisations in the sample, with pension and holiday being the main differences..

Cleaner



	Cleaner (BEO)	Peers
*Base annual salary	████████	████████
London Living Wage	£5,970	£5,500
Pension	████████	████████
Total reward package	████████	████████
Other	28 days holiday excluding bank holidays	20 days holiday excluding bank holidays

BEO Cleaners
Peer Comparison

Base annual salary - 9% less
Pension - 637% more
Total reward package - 7% more

*All BEO staff in 2022/23 got a £1000 winter payment which is excluded from our review

4. Summary, conclusions and next steps

Assessment of as is position against best practice (1)

On the following slides we have assessed the Barbican Estate Office and services provided against key elements of the ARMA and RICS best practice principles.

Key
Red – Not aligned, requires some fundamental changes to fully align
Amber – Closely aligned, requires some small changes to fully align
High Green – Aligned

Best practice principle	Barbican Assessment	Supporting comments
Be honest, fair, open and transparent and provide a timely and professional service with access to the information needed		This review has found There is a lack of performance reporting and financial control frameworks in place to provide residents with the required information and reassurance of how services are being operated and financially controlled
Act with skill, care, diligence and without discrimination		The review has found - Staff work hard to meet the expectations of residents and provide good quality services - Staff such as residents engineers are very knowledgeable about the estate and the estate infrastructure - Staff such as Supervisors have not been given the training to develop their leadership skills - Staff are battling internal processes and barriers to service as outlined in Section 2 of this report, which is impacting their ability to focus on improving the efficiency and effectiveness of services
Make sure that all their staff are appropriately trained and knowledgeable		- Staff such as residents engineers are very knowledgeable about the estate and the estate infrastructure - Staff such as Supervisors have not been given the training to develop their leadership skills
Have written terms of business and documented processes		- There are some SLA's in place, but need to be reviewed - There is a lack of documented processes and hence it is hard to understand who is responsible for certain tasks and where handoffs and escalations exist.
Provide their complaints handling procedure specifying the ombudsman scheme to which they subscribe		Whilst there is a complaints process in place, the process for capturing and resolving informal complaints was not evidenced during this review.

Assessment of as is position against best practice (2)

Key
Red – Not aligned, requires some fundamental changes to fully align
Amber – Closely aligned, requires some small changes to fully align
High Green – Aligned

Best practice principle	Barbican Assessment	Supporting comments
Avoid conflicts of interest	Amber	Given the Corporation’s role across the wider Barbican estate, there are inherently conflicts of interest. It is important that City of London demonstrates openly and transparently where these occur.
Maintain clear, accurate and up-to-date financial records	Red	This review has found There is a lack of performance reporting and financial control frameworks in place to provide residents with the required information and reassurance of how services are being operated and financially controlled.
Accounting for other people’s money – Clear understanding and transparency of the meanings of ‘client money’ and ‘client’.	Red	This review has found - Service Charge Accounts are complex and difficult to understand - Residents lack confidence in the transparency of data being provided

Assessment of as is position against best practice (3) – Service Charge

Key
Red – Not aligned, requires some fundamental changes to fully align
Amber – Closely aligned, requires some small changes to fully align
High Green – Aligned

Best practice principle	Barbican Assessment	Supporting comments
Calculating Service Charge Budget - Diligence and professional expertise to make an assessment of expenditure required to maintain the development and services for the forthcoming period		The review has found: • Service charge costs vary significantly from the budget figures which could be due to unrealistic budget setting to start with, incorrect coding of expenditure to service charge recovery, or poor budget control • Budget holders not held to account for any significant variances from budget figures • Significant variances across all different accounts of service charges, noting though that some of these are out of the control of the BEO. • No evidence of previous year’s actual figures feeding into budgeted figures for the next period
Accounting for service charges - Clear annual statement should be issued to leaseholders following the end of each service charge period, giving a summary of the costs and expenditure. Independent external review.		The review has found: • Communication with leaseholders is not clear and simple to follow • Difficult to compare with previous year costs • No clear explanations provided for any differences between estimate figures and actual • No independent external review of service charge costs

Summary and conclusions

The next few slides provide a **summary of our findings** from this review and the conclusions reached. These can be grouped under **four main headings**: *Roles, Structure and Ways of Working, Culture and Behaviours, Performance and Financial Reporting and Property Management*.

Roles, structure and ways of working

- The organisational structure and roles as currently defined, are a barrier to the staff within the BEO fully discharging their responsibilities and accountabilities to the residents of the Barbican Estate, who are paying for the services being delivered to them.
- In addition, the fact a number of services, with significant touch points into residents e.g. repairs, is not within the control of the Head of BEO reduces the ability for the Head of BEO to have the required oversight and control to ensure this service is running efficiently and effectively.
- The fact the Service Charge and Revenues Manager does not have a reporting line into the Head of BEO, reduces the ability for the Head of BEO to have accountability and oversight of the Service Charge Account for residents.
- Roles and structures have been developed reactively to deal with short term issues e.g. cleaning supervisors, without the necessary insight into how this supports the effective and efficient delivery of required services to residents and taking into account the roles and services most valued by the residents. This means there is a lack of clarity in role responsibilities resulting in duplication of activity across some roles.
- According to the benchmarked staffing numbers for Estate Management, the BEO are higher than you would find in some other property organisations, however caution needs to be taken in relation to this as they reflect services that are not often found in other property organisations e.g. Car Park Attendants 24/7, daily rubbish collections from individual properties, full-time cleaners on site all day during Monday to Friday.
- There has been little detailed activity analysis undertaken on roles to see where time is being spent, whether this is value add activity and whether there is too little or too much resource to meet the service demands.
- Poor resource planning, performance management and people management practices are resulting in higher than average use of overtime and agency workers which is an expensive way of resourcing services/
- High levels of staff sickness and poor performance management is requiring significant amounts of resource to deal with people issues, compounded by the lack of training and experience of Supervisors.
- Informal ways of working and communicating have developed that result in it being difficult to oversee and track all issues raised and whether they have been effectively resolved. It also means staff spend lots of time passing on and chasing issues.
- Policies have been implemented without understanding whether they are fit for purpose for the Barbican Residential Estate and no documented processes or ways of working have been developed to inform and guide staff.

Summary and conclusions



Culture and Behaviours

- Residents have lost trust and confidence in their landlord and staff of both the BEO and City of London feel they have to justify everything they do. It was clear from the discussions we had with both staff and residents that there is a desire to work more effectively and in partnership with each other.
- There is a lack of a performance driven culture and holding to account within the BEO and City of London, this applies to both staff and contractors. Therefore individuals and contractors are not being held to account for their individual performance, contribution and behaviours.
- Within the wider City of London, things appear to move slowly e.g. stock condition surveys, restructures, which results in both staff and residents losing confidence that promised changes will ever happen.
- Ways of working are outdated and there are no firm plans when technology will be delivered to update ways of working within the BEO.
- Whilst there are many strategies across the City of London including net zero targets, they doesn't appear to be a firm plan or timescales for how these will be delivered into the Barbican Residential Estate or if there are, they have not been communicated effectively to residents. The Barbican Estate is briefly referenced in the City of London wide strategy plan (2019 – 2023, Healthy Homes Vibrant Communities) but there is little indication of how the strategy relates specifically to the Barbican estate and what the future long term strategy is.

Performance and Financial Reporting

- There is a lack of financial reporting frameworks, with little evidence of how budgets are set and costs controlled.
- Service charges are based on estimates from the previous year as opposed to budget setting or even previous years actual costs. This means service charges will fluctuate each year and residents will continue to have significant surcharges that have not been planned for.
- There is a lack of robust performance reporting and benchmarking, which means residents are unable to gain the required assurance that services being delivered are effective and deliver value for money. Additionally, there is no robust contractor performance framework (or KPIs) to hold contractors to account.
- 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 Committee level, that provides each Committee with the required information and assurance but in an agreed, standardised format to reduce the resources required to undertake this activity but easily accessible for residents.

Summary and conclusions



Property Management

- The previous lack of investment across the estate is contributing to higher repair costs and this is evidenced through the benchmarking that indicates that Service Charges are more heavily weighted towards the annually recurring items rather than non-annually recurring items which includes major works.
- General repairs are one of the larger and more variable elements of service charges costs. There does not seem to be an asset management plan in place, with works being tendered on a piece-meal basis rather than a competitive tender for major works. This has a direct impact on the increasing costs that leaseholders are facing.
- However, we note that the stock condition survey has now been undertaken and a five year major works and redecoration programme is being developed and will be shared with leaseholders in due course.

On the **next slide**, we detail the areas of focus and next steps for Stage 2 of this project, based on the finding from this review.

Next Steps

This report provides the **baseline understanding** of the Barbican Estate Office (BEO) and services delivered to Barbican Estate Leasehold Residents which will be used to guide the priorities and future design of the BEO as part of the next stage of this project. It should be noted that:

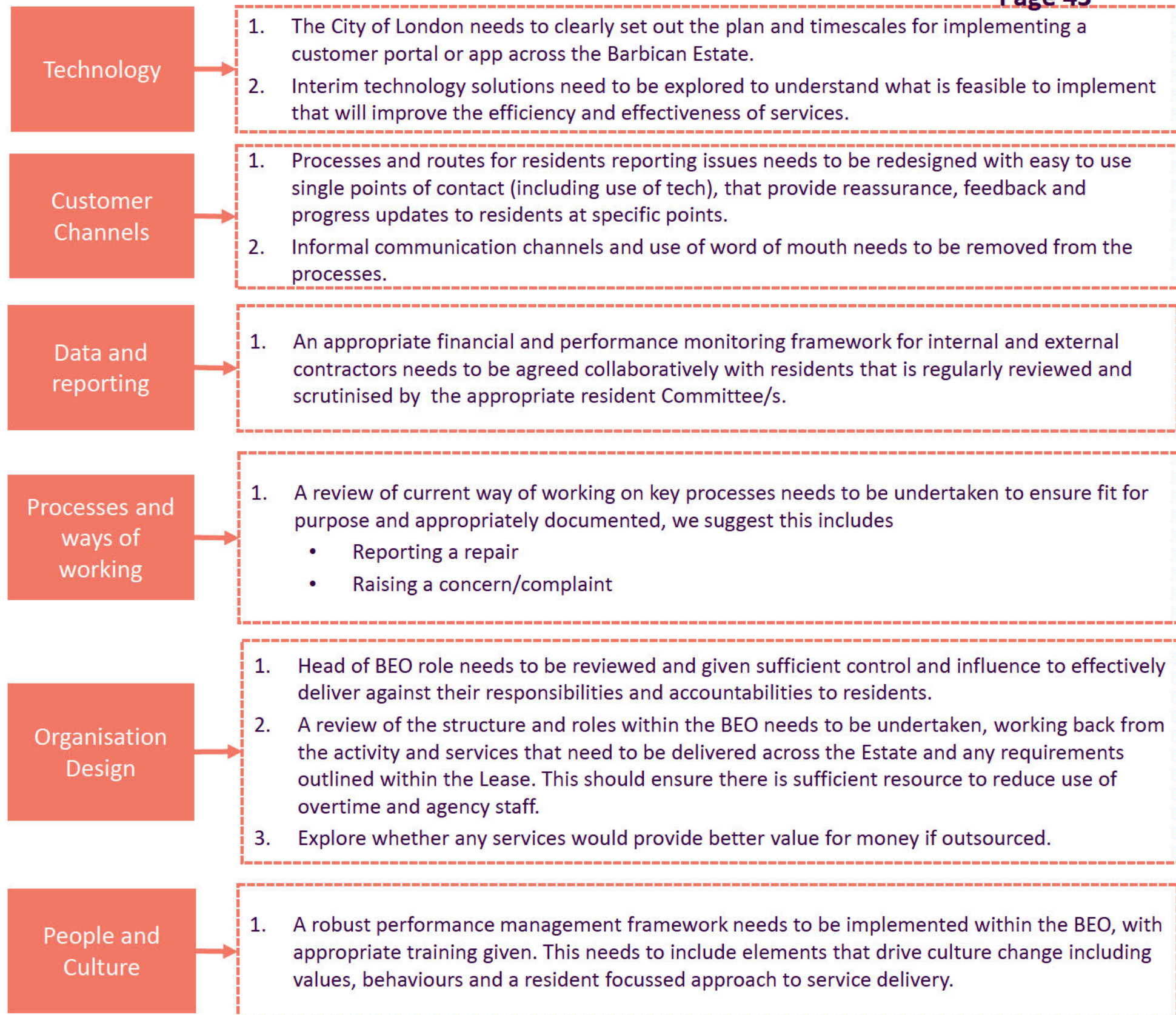
- The main purpose of this interim report is to develop and ensure that there is a single baseline understanding of the context for the further development of the BEO.
- The findings set out in this report also provide an external validation of the key issues that should be addressed as part of its development.

In our view and based on the findings of the work to date, the **key priorities** areas of focused required in the next stages of design include:

1. Ensuring the overall organisation model and design provide both the clarity and levels of authority to ensure key accountabilities and responsibilities to residents can be fully discharged and meet the service demands residents expect, value and pay for.
2. Review and document key processes to ensure there is the ability to oversee all levels of activity and that processes are fit for purpose and effectively use available technology to drive efficiency and effectiveness.
3. Advise on approaches to ensure improved performance and financial reporting.
4. Advise on improved budgeting and cost control across all areas of operations to ensure it is fit for purpose.
5. Improve the communication with leaseholders on service charges to ensure it is easier to understand.

To be more specific, below is a summary of the areas which will require focus in the next stages of work:

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Appendix 1 – Scope, Methodology and Project Plan

The following slides detail the scope, methodology and outcomes of this review as detailed in the Heads of Terms.

Scope of Project

The purpose of this project is to undertake an independent review of the BEO to investigate and report on the current issues identified above. We expect the review to be undertaken from the residents' perspective and will cover:

- value for money
- service charges
- supervision and management costs
- efficiency savings
- cleaning – costs and level of service
- the role of the CPA's
- providing services in-house or externally
- processes and procedures, including use of technology
- performance management
- collaboration.
- the organisational structure of the BEO considering all the above.
- provision of services to the BEO from the Corporation.

This project is limited to the Barbican Residential Estate only. The Barbican Arts Centre, the schools on the estate, the commercial properties, and St Giles Church are not within in the scope of this project.

Methodology

The way in which the review is undertaken and completed is up to the discretion and preferences of the provider but, we would expect it to be evidence based and include at least the following:

- detailed desktop study of current practice, processes, and procedures.
- analysis of relevant data including budgets, expenditure, complaints, and satisfaction data.
- interviews, surveys and/or focus groups.
- contact with both staff, residents, long leaseholders (resident and non resident), and their respective representative bodies.

The level of stakeholder consultation is entirely up to the provider however, this must be adequate to support the findings of the review and the subsequent recommendations for proposed changes to structures, processes, and operational procedures.

Outcomes

The review is intended to help us provide a well-performing customer service function for the Barbican Residential Estate that supports the following outcomes in the City Corporation's Housing Strategy 2019-23:

- Quality homes that meet the needs of our residents and communities.
- Well-managed estates that people are happy and proud to live in.
- Thriving and connected communities where people feel at home and flourish.

These outcomes also support the aims of the City of London's Corporate Plan 2018-23 objectives to:

- Contribute to a flourishing society.
- Support a thriving economy.
- Shape outstanding environments.

The recommendations should also address, where appropriate, our compliance with regulatory standards for housing and the provisions of the lease.

Appendix 2

Summary survey findings

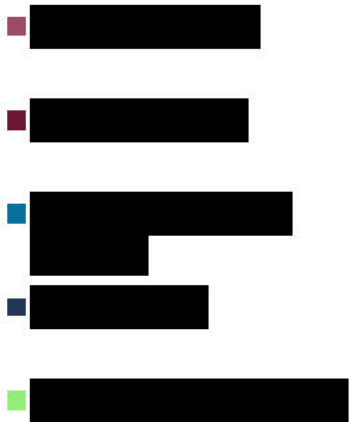
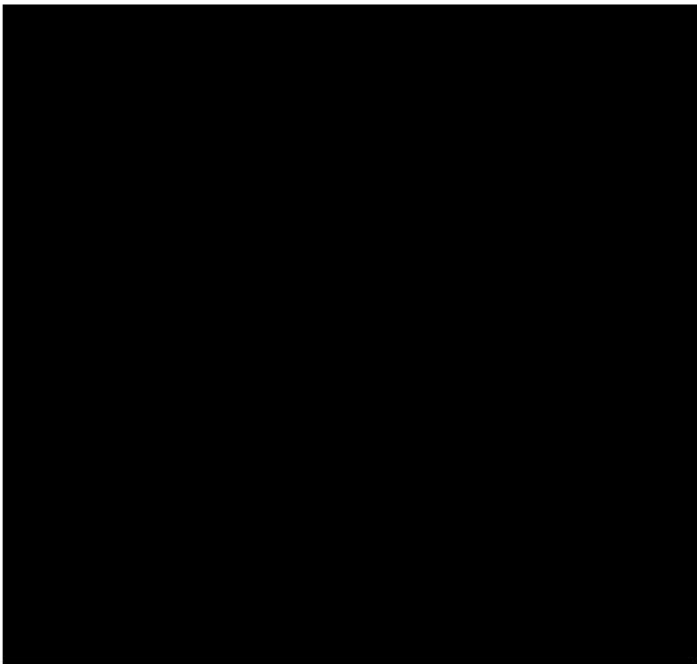
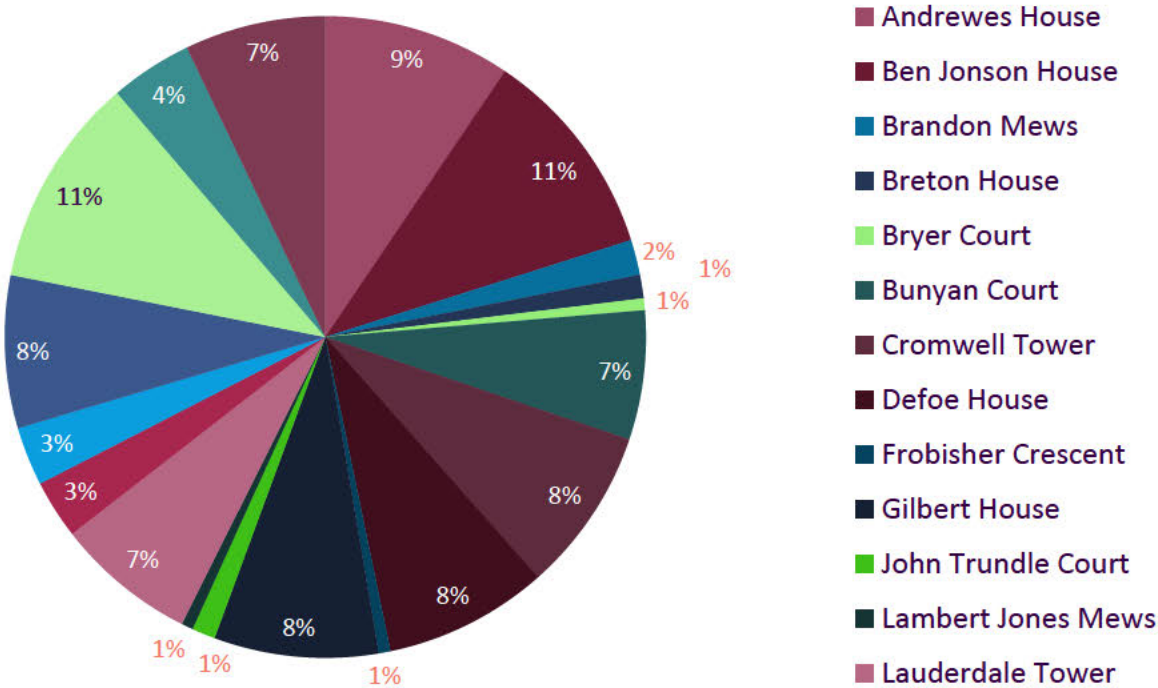
Staff and Resident Survey - Introduction

Resident Survey - About the Survey

The survey was a primarily qualitative based and contained 10 questions covering areas such as current strengths and weakness, recommended improvements and views on service charge breakdown, transparency and value for money,

The survey was sent to 1,400 residents with 175 responded to the Survey, giving a response rate of 12.5%.

Below shows a split of respondents by block:



Resident Survey – Key words

This word cloud presents the commonly found words for areas **most valued** by residents. The larger the word, the more commonly reported the duty.

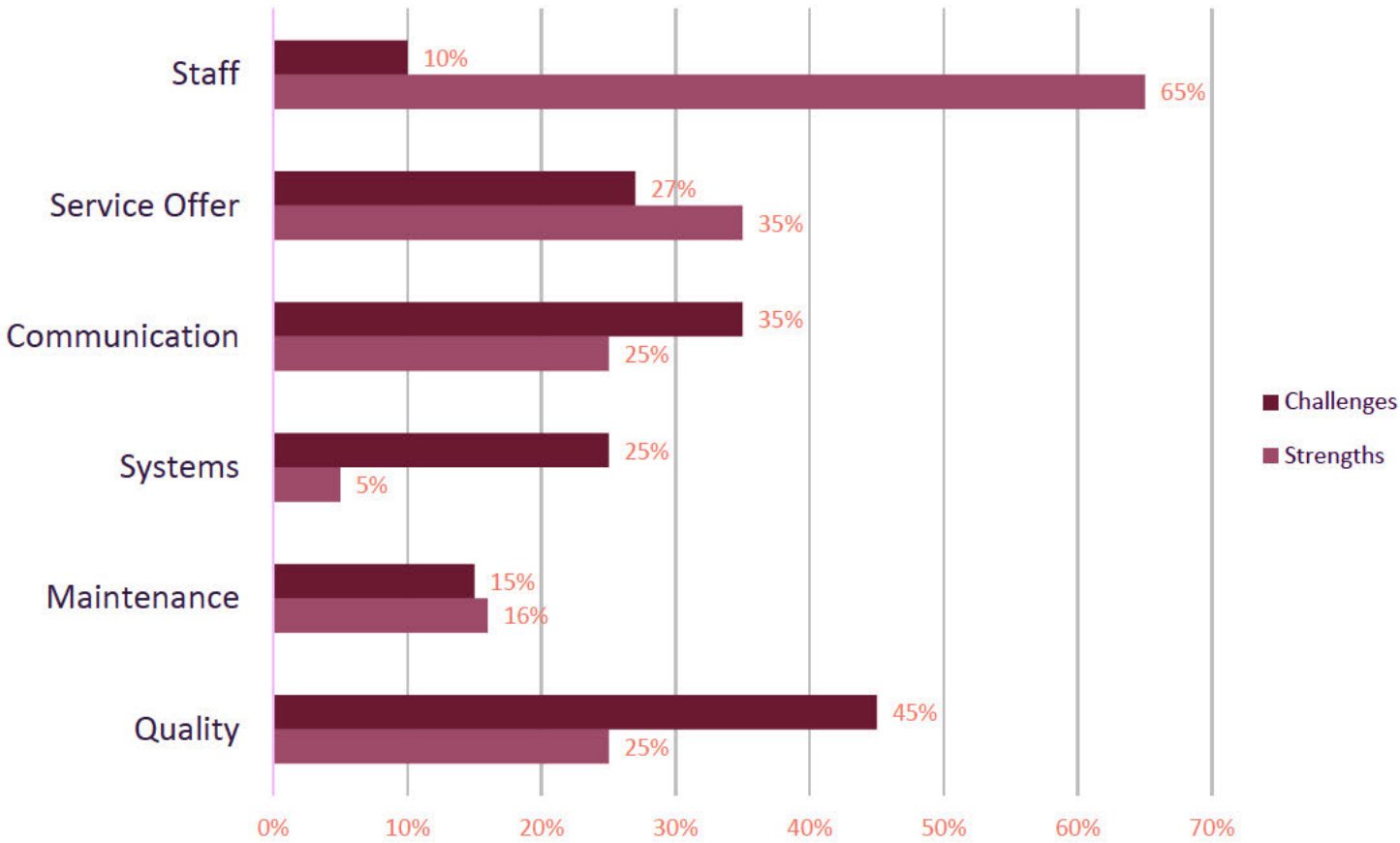


This word cloud presents the commonly found words for areas of **weakness** by residents. The larger the word, the more commonly reported the duty.



Resident Survey – Strengths, challenges and improvements

In the chart below we have categorised identified **strengths and challenges** from the resident survey by key area.



Below are some of statements made by residents

Key Findings – Recommended Improvements

- A common theme from the resident responses was the need for a more responsive repairs office. Key themes mentioned that House Officers were frequently on leave with no cover, who are often the means of reporting repairs.
- Better maintenance and more responsive repairs, such as by introducing an online system or customer portal to understand status of a repairs request.
- Responses suggest improving communications and clarity around the service charge and what it entails. Some recommendations also suggested adding multiple payment options, such as quarterly.

Key findings – Service charges

- Most responses suggest the make-up of the service charge is complex and needs more detail to aid understanding. Key themes suggest the detail provided is outdated and needs to be updated.
- Resident responses suggest they are not kept well informed. Suggestions include digital communications and more notice.
- Resident responses varied in relation to consultation regarding future spend impacting service charge. Some residents did not feel they were consulted at all, whereas other residents felt the monthly consultations were too much.

Staff Survey – Key words

This word cloud presents the commonly found words for areas **most valued** by staff members . The larger the word, the more commonly reported the duty.



This word cloud presents the commonly found words for areas of **weakness or challenges** by staff members. The larger the word, the more commonly reported the duty.



Staff Survey – Strengths, challenges and improvements

Below are some of statements made by BEO staff members:

Key Findings – Recommended Improvements

- A common theme across staff responses was the need for more clarity on structures. This includes better understanding of what each role does across the team, clarity in reporting lines and better communication across the team.
- Another recommended improvement was to review shift patterns to reduce costs. This includes having less concierge working at night where demand is reduced and reducing overtime worked when covering holiday and sickness shifts.
- A common theme across staff responses was also to introduce an online repairs portal where residents can log repairs. This will free up the House Officers to complete other more value added tasks.

Below are some of statements made by BEO staff members:

Clarity on role and service offering

- Staff responses indicated that staff are unsure of what other roles within the BEO provide. In particular this is due to:
 - Home working of the BEO team
 - The expected role and what is actually delivered differs
 - In particular, this sits around the property services team

Any other comments

- Staff responses indicate low morale and poor health (high sickness rates) across the team, which has been attributable to the longevity of the restructure process (over 5 years).