

### **MANAGING DIRECTORS REPORT**

Report of the Managing Director  
Author: Maria Murphy

#### **1. SUMMARY**

- 1.1** This report provides the Board with information strategic matters and updates on progress made against the proposed requirements of the consumer standards.

#### **2. RECOMMENDATION(S)**

- 2.1** To note the Managing Directors response to the negative comments regarding the introduction of automated phone and website services.
- 2.2** To note the ongoing actions to ensure compliance with the proposed consumer standards.

#### **3. REASON(S) FOR RECOMMENDATION**

- 3.1** To ensure Board Members have sufficient understanding and oversight of the implementation of automated technology within front line customer services.
- 3.2** To ensure that Derby Homes provides assurance to Derby City Council on their continued compliance with statutory requirements.

#### **4. MATTER(S) FOR CONSIDERATION**

##### **TELEPHONY & WEBSITE ENQUIRIES**

- 4.1** On 29 September 2023, the Derby Telegraph published an article regarding new technology deployed to enhance telephony and website services for the Council and Derby Homes. The article is available through the following link <https://www.derbytelegraph.co.uk/news/derby-news/thousands-derby-city-council-callers-8788446> .
- 4.2** The article focussed on problems that customers faced when trying to contact the Council when being dealt with by the new AI (Artificial Intelligence) digital helpers. Subsequent to the article requests were received from some Board Members for more information.
- 4.3** When telephoning the Council or Derby Homes customers are now greeted by either Darcie (DCC) or Ali (Derby Homes). As is the case in many large

organisations the digital helper has been introduced to assist customers with basic enquiries, reducing the necessity for human intervention at this level.

- 4.4** I fully understand that customers find change frustrating and the introduction of any kind of automation is often met with resistance. However, the growth of AI cannot be ignored when we look at the financial costs associated with person-to-person transactions. Both the Council and Derby Homes face significant financial pressures and the development of self-service options (for those who can self-serve) must be embraced.
- 4.4** The recent article was very misleading, it is a basic function that if the AI cannot fully assist the caller, it puts them through to a human operator, this is a good thing and we have assured customers that “if you want to talk to a human, you can.” When a customer calls our main telephone number (888777), they are initially greeted by the Digital Assistant, Ali who is available 24 hours a day, 7 days a week.
- 4.5** Darcie and Ali are designed to deliver quick and efficient responses to common queries, and do so in 42% of calls, freeing up the Contact Centre teams to provide higher levels of support where needed.
- 4.6** The article stated that high numbers of calls are being lost by customers hanging up. It is not uncommon that calls are ‘abandoned’ for a number of reasons, regardless of whether the call is answered by an AI system or not. Prior to the introduction of the system high numbers of calls would be ‘abandoned’ because customers did not want to wait in a queue and chose to ring back at less busy times.
- 4.7** I would like to reassure Board Members that Derby Homes has been fully involved in the development and deployment of this technology and we continued to be engaged with colleagues in the Council making improvements as we learn more about customer habits.
- 4.7** Initially we had concerns in respect of our escalation process, this is the process that ‘kicks in’ for emergency repairs and homeless approaches outside of core hours. A fix has now been deployed and tested by our employees and we are confident that this has delivered greater confidence, thus improving the experience for our customers.
- 4.8** As we move forward, we will continue to work alongside Council colleagues to learn from the data that has been collected over the last six months developing helpful reporting from both the AI solution and the traditional telephony solution. We will also look to work with our customers to learn from their experiences and use this feedback to continually improve our service.
- 4.9** We have not received an increase in complaints as a direct result of the new technology, but we are collecting feedback provided from customers.
- 4.10** Our existing data does show us that call waiting times and ‘abandonment’ have increased during September and October. This cannot be attributed solely to the introduction of AI. We have experienced high staff turnover during the last three months and extreme weather conditions causing extremely high call volumes being the main reasons. Recruitment to vacant positions has been successful.

- 4.11** We also need to continue to reduce levels of avoidable contact. Avoidable contact is where a customer has to contact us due to a service failure. Further detail on this is provided in a report from the Director of Property on current actions within the responsive repairs service.
- 4.12** My recommendation is that Derby Homes needs to 'hold its nerve' and accept the challenges that come with the introduction of any new technology. The new automated assistance on both the telephony and website services is progressing through a learning process and improvements are being deployed all the time to improve the customer experience.

## CONSUMER STANDARDS – READINESS FOR CHANGES

- 4.13** At our last Board Meeting I was anticipating that work would be completed to develop an overarching action plan, consolidating the recommendations from Savills alongside the proposed requirements of the Consumer Standards. Unfortunately, due to the unavailability of key resources this is not the case, but we have still been working on the key areas highlighted in my report at our September meeting.
- 4.14** We are still on track to commence the stock condition survey of 50% of our stock during Quarter 3.
- 4.15** Technical staff are now attending training on the Health, Housing and Safety Rating System (HHSRS). One session had to be postponed due to flooding in the city and this will be rearranged. The feedback from staff that have already attending is extremely positive.
- 4.16** There is good progress being made in understanding and analysing data on repair requests, further detail is provided in the report of the Director of Property.
- 4.17** An initial workshop has been held to explore vulnerability and inclusion. The outcomes from this workshop are being worked into proposals to strengthen how we better understand our customers' needs and embed this into our service delivery. Under the new Head of Quality and Consumer Service a new post will be created to lead on this within Derby Homes.
- 4.18** Our Housing Management teams are leading on work to identify all customers who have not accessed our services. This will help us learn more about their circumstances. A proactive system of 'tenancy visits' is being developed to commence in the new year and our initial focus will be risk based around our 'silent' customers.
- 4.19** Work is ongoing to review our Complaints Process in line with the Housing Ombudsman's recommendations. This will involve some structural changes and deployment of additional staff into this area of work to ensure that complaints are handled independently of services as directed by the Ombudsman. The additional resources will be achieved by the redeployment of existing staff rather than creating new posts.

## 5. OTHER OPTIONS CONSIDERED

- 5.1** Not appropriate.

## **6. FINANCIAL & BUSINESS PLAN IMPLICATIONS**

- 6.2** As the actions outlined in 4.13 – 4.18 above are progressed further financial implications may be identified, the implications of which will be reported in due course.
- 6.4** The Delivery Plan will be updated to include all implications arising from this report.

## **7. LEGAL AND CONFIDENTIALITY IMPLICATIONS**

- 7.1** The standards have been designed to reflect revised statutory objectives as set out in the Housing & Regeneration Act 2008, as amended by the Social Housing (Regulation) Act 2023, and meet expectations set out in the Social Housing White Paper. The standards currently reflect the government's 2012 Direction on Quality of Accommodation (Decent Homes). This standard is currently under review but in the meantime the requirement is to comply with the 2012 direction.

## **8. COUNCIL IMPLICATIONS**

- 8.1** The ultimate responsibility for meeting standards sits with the Council as the landlord. Derby Homes have responsibility for discharging services through the Partnership Agreement. The Strategic Working Group meeting between Derby City Council and Derby Homes is the formal monitoring mechanism to ensure that sufficient assurance and oversight is in place.

## **9. RISK IMPLICATIONS**

- 9.1** Failure to comply with statutory duties can result in the Regulator of Social Housing taking action against the Council as the responsible body. There are equal risks to Derby Homes as any failure to comply could constitute a breach of the Partnership Agreement.
- 9.2** There is a risk that further negative press coverage regarding accessibility of services could be damaging for Derby Homes. We intend to manage this risk by continuing to work with the Council by continuous improvement of the technology.

The areas listed below have no implications directly arising from this report:

Consultation

Personnel

Environmental

Equalities Impact Assessment

Health & Safety

Policy Review

For more information please contact:

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Background information:	
List of appendices:	

This report has been approved by the following:

Managing Director	Maria Murphy	13.11.2023
Finance Director & Company Secretary	Michael Kirk	13.11.2023
Company Solicitor	Taran Lalria	14/11/2023
Governance Services (checked)	Chloe Gaskell	13.11.2023