



REPORT TO: Regeneration Panel/Cabinet
DATE: 7th January 2004/ 8th January 2004
SUBJECT: Performance Report Wigan & Leigh Housing (2003/2004) Half Year
REPORT OF: Director of Environmental Health and Consumer Protection
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PURPOSE/SUMMARY: To Report the half year performance of Wigan & Leigh Housing in financial year 2003/2004.

**ALTERNATIVE OPTIONS
 CONSIDERED AND REASON
 FOR SELECTING THE ONE
 RECOMMENDED:**

RECOMMENDATION/DECISION: Panel's views are invited on the performance of Wigan & Leigh Housing

KEY DECISION This report does not involve a key decision.

IMPLICATIONS:

Financial: Housing Services contract valued at £13,653,000 per annum.
 Staffing: None
 Policy: Housing Strategy
 Equal Opportunities - Has a Diversity Impact Assessment been conducted? Reports will include progress on Equality Standard and CRE code for renting.
 Wards Affected: All
 Special Interest Members – Which have been consulted None

For Cabinet reports only :

Categorisation of the report:

Discussion leading to a decision		Discussion
Monitoring	X	Decision
Sharing for corporate understanding		Information

Tracking/Process:

	Consultation	Ward Members	Partners
	-	-	-
Panel	Overview & Scrutiny	Cabinet	Council
Regeneration 07.01.2004	-	08.01.2004	-

There are no Background Papers to this report within the meaning of Section 100D of the Local Government Act, 1972:

Proper Officer R Saunders
Date 1.12.03

BACKGROUND:

In April 2002, the Council set up an Arms Length Management Organisation to manage its stock of Council dwellings. The nature and scale of the contract with the company, Wigan and Leigh Housing (WALH), is significant.

- the 25,268 Council dwellings accommodate many low income and vulnerable households;
- additional "ALMO" capital resources are anticipated to be £137 million over a four year period;
- payment of an annual management fee of £13.653 million; and
- contributes to key housing and corporate objectives.

The Company's performance also impacts on key government assessments of Council's performance, notably:

- Councils Housing Strategy and HRA Business Plan; and
- the Comprehensive Performance Assessment.

On 7th August 2003 Cabinet approved the Delivery Plan for this housing contract. This was subject to a half year position report being submitted. The Delivery Plan sets out performance indicators, with targets agreed in most cases up to 2007. The scope of this monitoring reflects the significance of this contract within the Delivery Plan some changes were agreed from the previous years framework and these were outlined within the report on Quarter 1 performance to the Regeneration Panel on 1st October 2003.

There are now some 96 performance indicators:

- 8 on the Housing Strategy objectives,
- 8 corporate health indicators,
- 7 national housing best value performance indicators, and
- 73 local performance indicators (L1 to L74).

The Housing Strategy Service monitors these performance indicators and meet WALH monthly to review performance. From this "finer grain" monitoring, reports are produced quarterly for Regeneration Panel and half yearly for Cabinet focusing on the main "health" and "risk" elements. A searching annual questionnaire has been completed which identified critical risk areas on which the quarterly performance reports focus. The quarterly reports acknowledge good work, share areas of concern and improve performance through goal setting (rather than interfering with WALH's management of services). The performance indicators and targets are also now included within the corporate performance monitoring system (Performance Plus).

In addition to the above processes the Housing Strategy Service also agrees an annual review programme, which involves an in depth look at various aspects of the service. During the first half of the year this has involved looking at the rent collection service, planned maintenance and the budget process. The results of the review on the planned maintenance service, is discussed within another agenda item.

- In terms of other reviews the main findings for rent arrears were WALH are continuing to make very good progress in reducing arrears and maximising income collection there has been a reduction of over £225,000 in arrears from half year position in 2002 and end of September 2003.
- This is one of the most challenging areas to improve, WALH are striving to maximise rental income whilst still being sensitive to the diverse incomes and needs of their clients. To this end WALH are proactively working with other organisations to develop a self-help debt pack for tenants, ensuring tenants are aware of all the benefits they could claim as well as advice regarding how to successfully repay debt.
- Our findings concluded that WALH had firm but fair procedures in place regarding rent arrears, we would expect to see total arrears continuing to reduce over the next 2 quarters.
- The imminent introduction of the new Rents IT system will also enable WALH target resources more accurately, we also felt that WALH could undertake further work to develop ways in which tenants could become more financially aware.

Summary of Performance.

Within the corporate performance monitoring system (Performance Plus), summary conclusions are produced both in terms

of overall view of Wigan and Leigh Housing performance and by individual aspects of service.

This summary picture is shown below.

PERFORMANCE INDICATORS	HALF YEAR PERFORMANCE
WALH OVERALL PERFORMANCE	Met Target within 5% tolerance level
STRATEGIC OBJECTIVES	Exceeded Target by 5 %
CORPORATE HEALTH	Met Target within 5% tolerance level
BEST VALUE	Exceeded Target by 5 %
CUSTOMER CARE	Met Target within 5% tolerance level
RENT	Met Target within 5% tolerance level
RE-LET/VOID	Exceeded Target by 5 %
REPAIRS	Currently not enough data available to assess as includes Annual Targets and data being audited
RE-HOUSING DECOMMISSIONED STOCK	Exceeded Target by 5 %
HOMELESSNESS AND SUPPORT	Met Target within 5% tolerance level
FINANCIAL	Currently not enough data available to assess as includes Annual Targets and data being audited
CONTINUOUS IMPROVEMENT	Currently not enough data available to assess as includes Annual Targets and data being audited
TENANT PARTICIPATION	Met Target within 5% tolerance level
CUSTOMER SATISFACTION & PERCEPTION	Met Target within 5% tolerance level
OF PERFORMANCE INDICATORS	
RIGHT TO BUY	Not met Target

This shows that in terms of ALMO Strategic Objectives, Housing Best Value indicators, re-housing from decommissioned properties and re-lets/voids indicates performance is better than expected. This is especially pleasing within the latter category. However the system is showing a warning of performance for Right to Buy indicators. There is also a question mark against the important area of repairs. There is some doubt about the reliability of the data due to delays within the IT system, potentially this seriously underestimates performance on emergencies and Best/merit categories of repairs. An internal audit report is awaited in these important areas.

The full spreadsheet of WALH indicators and targets is set out in the appendix to this report.

The main issues to emerge from half year's performance were the following:

Critical risk factors

- **L2 Percentage of letters responded to within 10 working days: 87%**

Problems have been encountered due to the range and location of offices and personnel. WALH are aware of these difficulties and processes are being amended to ensure this indicator improves.

- **L7 Rent Arrears: 3.3%**

Last Years Performance	Target	Actual Position at the end of Q2 (30/9/03)
3.0%	2.9%	3.3%

(Arrears figures are expressed as a percentage of the annual debit)

Rent Arrears have become a major local and national concern in recent years with levels rising significantly. WALH have advised that their current management information system fails to give sufficient information to optimise performance. However various initiatives have been piloted to try to improve performance and over the last twelve months these have had a stabilising effect. It should be noted that as arrears figures are a cumulative build up over a period of years, this is the most difficult indicator to improve performance within.

Although this indicator is showing that it is behind target it is traditionally an area where performance builds up during the

financial year. By using a comparison with the previous financial year, performance has improved analysis demonstrated that arrears are £225,000 lower than at the same point last year.

Improvement goals

- to introduce new management information system by the end of 2003/04 financial year;
- to achieve challenging 2003/04 performance targets for % rent arrears (L7) and % of tenants owing over 13 weeks' rent (L10).
- **L22-L29 Repairs Performance**

There is some evidence that the data within the area of repairs is not reliable due to deficiencies within the current IT system. This is being especially true for Emergency and Best/Merit categories. Internal Audit are currently assessing the accuracy of the data and a report will be made once the findings are known. The new HMIS system when implemented will provide more accurate information.

- **L40 Homeless: 11.7 days**

Last Years Performance	Target	Half Year
11.2 days	8 days	9.9 days

WALH is changing the way it provides this service as part of the organisational review, which should produce improvements to the service. These changes are currently being implemented and despite the increase in numbers of homeless applicants performance in Quarter 2 is showing a significant improvement.

- **L55 Average length of time to price notice for RTB: 93 days**

Due to an increase in Right To Buy applications a number of price notices took considerable period of time earlier this year. Additional temporary staff have been used to address the situation and there are currently no overdue price notices.

Good Performance

- **HSO1 Proportion of Empty Homes as a percentage of stock. 1.8%**

Last Years Performance	Target	Half Year
2.2%	2.1%	1.8%

The reduction in empty stock is a reflection of increased demand due in part to the increase in House Prices but also due to the promotion of Council Homes through the Property Shops now operational in Wigan and Leigh centres.

- **BV183 The average length of stay in B&B and Hostel accommodation for pregnant women and families with dependent children. 0 weeks**

For both B&B and Hostel accommodation WALH are reporting 0 weeks even though there have been a number of occasions B&B and Hostel accommodation has been used for these Households. This is in part because our Hostel is not defined as such by this indicator and time spent in B&B is kept to a minimum for these households. Homeless presentations have shown increases during the previous year so it is possible WALH may exceed this target.

- **L16 Percentage of rent lost through local authority dwellings becoming vacant: 1.55%**

Turn over of void properties has reduced from last years' figure and the speed of re-letting has also increased.

- **L15 Average re-let times (days): 52 days.**

Last Years Performance	Target	Q1	Q2	Half Year
60 days	51 days	57 days	47 days	52 days

Whilst in overall terms the target for average re-let times is not being met at the half year position the improvement within the second Quarter has been significant and if this continues performance will be significantly better than the target by the end of year.

Changes to Targets

Of the changes to last years framework, the main feature has been the significant increase in the number of indicators due to the development of new services such as Property Shop and furnished accommodation. Some other indicators have been deleted to be replaced with more relevant measures. Finally in some indicators the targets themselves have been varied with some being lowered and others more challenging. The more important changes are set out below;

- **BV184 (b) Percentage change in proportion of non-decent LA homes between 1st April 2002 and 1st April 2003.**
 - The target has been lowered from 41% to 29.3% to show a more realistic and achievable target this will enable WALH to maximise the funding available. The original target was estimated prior to funding allocation and detailed programmes being formulated.
- **BV185 Percentage of responsive repairs for which an appointment was made and kept.**
 - The target has been lowered from 60% in 2002/03 to 55% as a realistic and achievable target for 2003/04 however the target will increase by 5% increments until 2006/07.
- **L29 Average time taken to complete other repairs.**
 - The target has been increased from 13 days in 2002/03 to 20 days as a realistic and achievable target for 2003/04 this category of repairs often includes larger and more complex work carried out on a routine basis. WALH target still exceeds targets set by other local authorities and RSL's.

Overall Performance

There are 96 Performance Indicators, which the Council uses to monitor and evaluate the performance of WALH. Of these there are a number of annual and quarterly targets, the quarterly performance is reported in the table below. In overall terms of the indicators available 67% are on target. However this percentage excludes some key performance data which is not currently available and may lower targets in future.

Performance Indicator	No of quarterly Indicators	No of indicators reported	No of available indicators on Target	% of available indicators on Target
Housing Strategy objectives	1	1	1	100%
Corporate Health objectives	2	2	1	50%
National Best Value indicators	3	2	2	100%
Local performance indicators	47	25	16	64%
Total	53	30	20	67%

Please note that a number of performance indicators have not been reported. The main reason for this is that these are new indicators and they will be reported, when additional system generated reports are available.

During 2002/03 WALH's focus has been on the challenging objectives of establishing the company and achieving a "good, two star" rating for its services from the Housing Best Value Inspectorate. On both of these WALH has achieved its objectives and the Council and its tenants will benefit from ALMO resources of up to £137 million over a four year period. These are major successes for which WALH's Boards and staff are to be commended.

WALH are using this forthcoming year to consolidate its successes and continue to work to put in measures and systems to achieve continuous performance improvement. The introduction of a new IT system may have a short term adverse effect on performance as staff resources will be diverted to training and implementation however WALH is aware of the importance of high quality services and will continue to strive to maintain performance.

CONCLUSION:

In overall terms the position of WALH at the half year stage is encouraging with good performance on key aspects of the service. Of particular note is the reduction in the number of vacant houses and the reduction in relet times. The apparent stabilisation of the rent arrears problem is also good news. In terms of areas of concern the key issue is over repairs performance. Due to the difficulties in the data, it is not possible to provide a definitive picture in this area but further detail will be provided when Internal Audit report their findings. The new HMIS IT system will also be able to provide more accurate and detailed reports when implemented.

Appendices

1. [Appendix](#) [PDF: 72KB]

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