



DECISION TAKER: Regeneration Panel
DATE: 13th November 2002
SUBJECT: Performance of Wigan & Leigh Housing
 1st April 2002 to 30th September 2002
REPORT OF: Director of Environmental Health and Consumer Protection
CONTACT OFFICER: Bob Saunders – (01942) 827094

PURPOSE / SUMMARY: To inform members of the Performance of Wigan & Leigh Housing against the Quarterly Indicators to the Delivery Plan.

RECOMMENDATION / DECISION: Members are asked to note the report.

IMPLICATIONS:

Financial: Nil
 Staffing: Nil
 Policy: Nil
 Equal Opportunities: All
 Wards Affected: All
 Special Interest Areas: Nil

Tracking/Process:

Forward Plan	Consultation	Ward Members	Partners
-	-	-	-
Panel	Overview & Scrutiny	Cabinet	Council
Regeneration 13-11-02	-	-	-

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer: B Saunders
 Date: 31st October 2002

BACKGROUND:

In April 2002, the Council set up an Arms Length Management Company (ALMO) to manage its stock of Council dwellings. Since the company, Wigan and Leigh Housing, was formed the client function of ensuring the company complies with its functions and performance, as specified by the contract and delivery plan, has been carried out by officers of the EH&CP Department.

Regular monthly and quarterly meetings now take place between W&LH and EH&CP Department, and gradually as the relationship develops, the means of monitoring and reporting on the company's performance is being refined.

The performance of W&LH will also be reported to Regeneration Panel on a quarterly basis. This will provide an opportunity for Members of the Panel to be aware of the current performance of the company in comparison with the annually agreed performance plan, and to question aspects of the performance that they consider may be unsatisfactory or where more

information may be required.

INFORMATION / PROPOSALS:

The latest performance report of W&LH is attached. This report provides information on the first two quarters performance of the company over the period 1st April to 30th September 2002.

The report is relatively lengthy, but it does provide explanation about the key areas of performance, as well as the results themselves. At this stage it is considered that this additional information may be of use to Members, but in future a more summarised version may be more appropriate.

The current areas of performance which are provided for Members' attention in the quarterly reports are:-

- Rent collection;
- Relet times for empty properties;
- Time taken to complete repairs;
- Tenant satisfaction with repairs;
- Percentage spend against budget of programmed works;
- Sickness absence;
- Payment of invoices.

In addition to these areas, the Director of Finance and IT will report regularly on the state of the Housing Revenue Account, and there will be more detailed annual reporting of performance as well as exception reporting by the DEH&CP of any other matters requiring Members' attention.

Members' views on this reporting regime are sought.

Summary of Performance by W&LH against Key Indicators

- **Rent Collection** - Slightly under target with 95.1% of current debt plus arrears collected against a target of 96.1%.
- **Relet times for empty properties** - Slightly below target with an average relet time of 63 days against a target of 60 days. However the actual number of vacant properties is reducing with a decrease of 97 (from 729 to 632) over the last six months.
- **Percentage of non emergency repairs done on appointment** - Below target at 53% against a target of 60%. This is however an improvement on last year's 46%.
- **Percentage of jobs completed within target times** -

● Emergencies	Target - 100% within 24 hours	90% achievement
● BEST / MERIT	Target - 100% within 4 days	99% achievement
● Voids	Target - 75% within 20 days	75% achievement
● Other	Target - 75% within 20 days	82% achievement

- **Tenant Satisfaction with repairs** - Slightly below target of 93% with 91% satisfaction.
- **Programmed work** - In line with expectation for half year.
- **Paying invoices** - Under target with 94% being paid within 30 days for the first quarter and 80% being paid within 30 days for the second quarter against a Government target of 100% within 30 days.
- **Sickness absence** - Well within target of 10.5 days per employee for the whole year, with a half yearly performance of 4 days.

CONCLUSION:

The performance for Wigan and Leigh Housing is generally good, but in some areas requires improvement.

More easily understandable performance information is required and this is currently being evolved.

1. Introduction

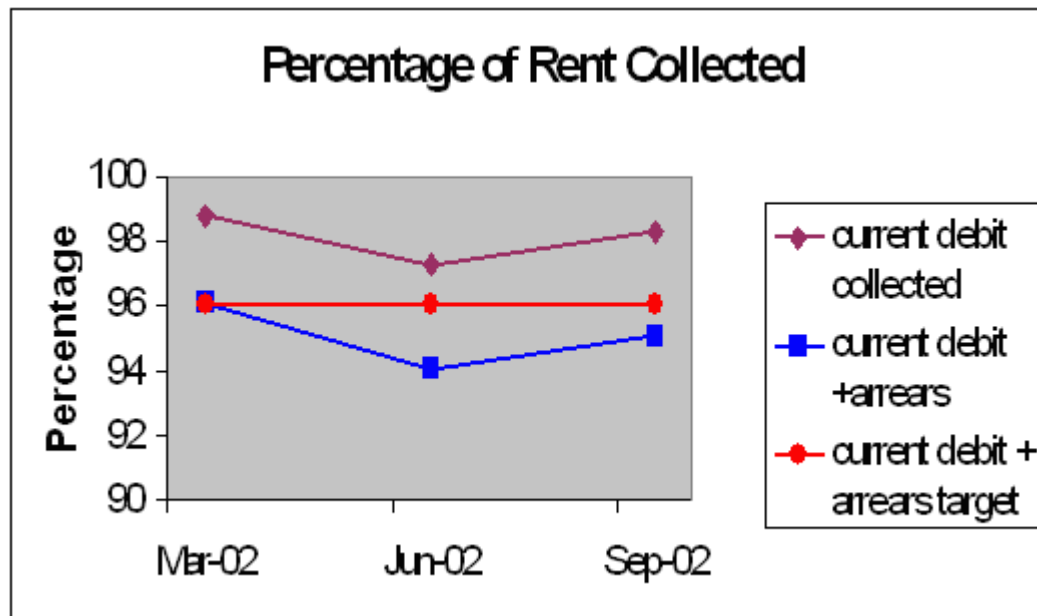
1.1 At the last meeting of the Regeneration Panel, Members received a report showing what Performance Indicators are contained in the Delivery Plan agreed with the Council. The performance of, Wigan & Leigh Housing, is being monitored against these indicators. The report also showed the performance position at the start of the life of the ALMO.

1.2 Some of the Performance Indicators only lend themselves to being reported annually, others more frequently. This report

sets out the details of the ALMOs performance during the first two quarters of the year. A breakdown of the frequency with which these high level indicators are produced is attached for information at Appendix A.

1.3 Although the high level information is limited to a relatively small number of key indicators, the ALMO does produce more detailed management information for its own purposes. The monthly monitoring meetings between ALMO and Council Officers are underway and working well. More detailed discussions on individual service areas are taking place in this forum and during the course of each year performance in all service areas will be scrutinised in detail. Productive quarterly meetings between the ALMOs Chief Executive and the Director of Environmental Health and Consumer Protection have also taken place.

2. Rent Collection Performance



2.1 The chart below shows the trend in collection during the year to date. Success in rent collection is a national Best Value Performance Indicator though the Government has changed the definition of the indicator last year. When calculating the percentage of rent collected, arrears from the earlier years have to be added to the current year's collectable debit. This means that the percentage collected will reduce unless the whole of the current debit plus a sizeable portion of the arrears are collected in the year. We are calculating performance using both old and new definitions to be able to maintain comparisons.

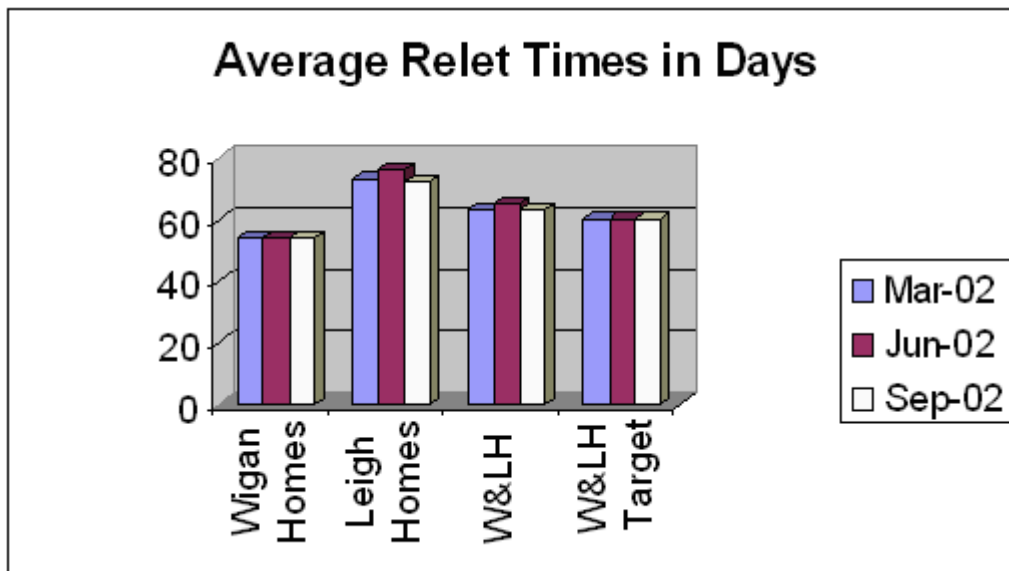
2.2 The current debit plus arrears performance for 2000/2001 was 97.18 %. At the time this was top quartile performance for Metropolitan Authorities. The 2001/2 performance was 96.1%. Because figures for other authorities have not yet been published it is not possible to say what comparative performance is like.

2.3 In the current year 95.1% of the current debit plus arrears has been collected, almost 1% below the target for the year.

2.4 A number of initiatives have been undertaken in the current year as part of the Best Value Review of the Rents Service. Some of these have worked well. In particular, the speed of processing housing benefit claims has improved dramatically. Currently, some 70% of claims are processed in 14 days, up from 25% at the start of the year. An analysis of current debtors showed that those moving in and out of low paid employment were most likely to be in arrears.

2.5 In addition, a specialist rent arrears team has been piloted in part of the Wigan Homes Area. Early signs are that this has worked well though it will take longer to assess the true cost/benefit of the additional resources deployed. A variation on the above is now being piloted in the Leigh Homes Area.

3. Average Relet Times For Empty Properties



3.1 Average relet times have been calculated for all properties that have been let again. They do not include those properties that have been empty for longer periods for major structural work.

3.2 It is proving difficult to improve the performance in letting properties more promptly. This is in spite of a long history of demolishing the most unpopular stock. The March 02 figure represents the average over the previous year rather than the last quarter and was affected by holding properties empty for the contract to provide properties for asylum seekers. There are a relatively small number of properties that have been empty for a long time and then relet. This is where properties have been held because of the likelihood of them being demolished and a subsequent decision to relet them has been taken.

3.3 We have introduced closer monitoring procedures for all properties that have been empty for longer than 9 weeks. Ironically, this closer scrutiny has led to the reletting of some long-term voids which has had the effect in the short term of increasing the average void period. The target for the year is to reduce the average void period to 60 days from the 63 days it took last year. Currently we are performing below that target managing only to hold performance to the level of last year.

3.4 Members will note that the relet time in Wigan is shorter than in Leigh. This is a reflection of lower demand rather than poorer performance. The more popular areas with higher demand, such as Standish and Ashton, tend to be in the Wigan Homes Area. Average time taken to carry out repair work is around 20 days. The majority of the remaining time is taken up in trying to find the right tenant for a property. There is always a balance to be struck between letting properties quickly and finding the right tenant.

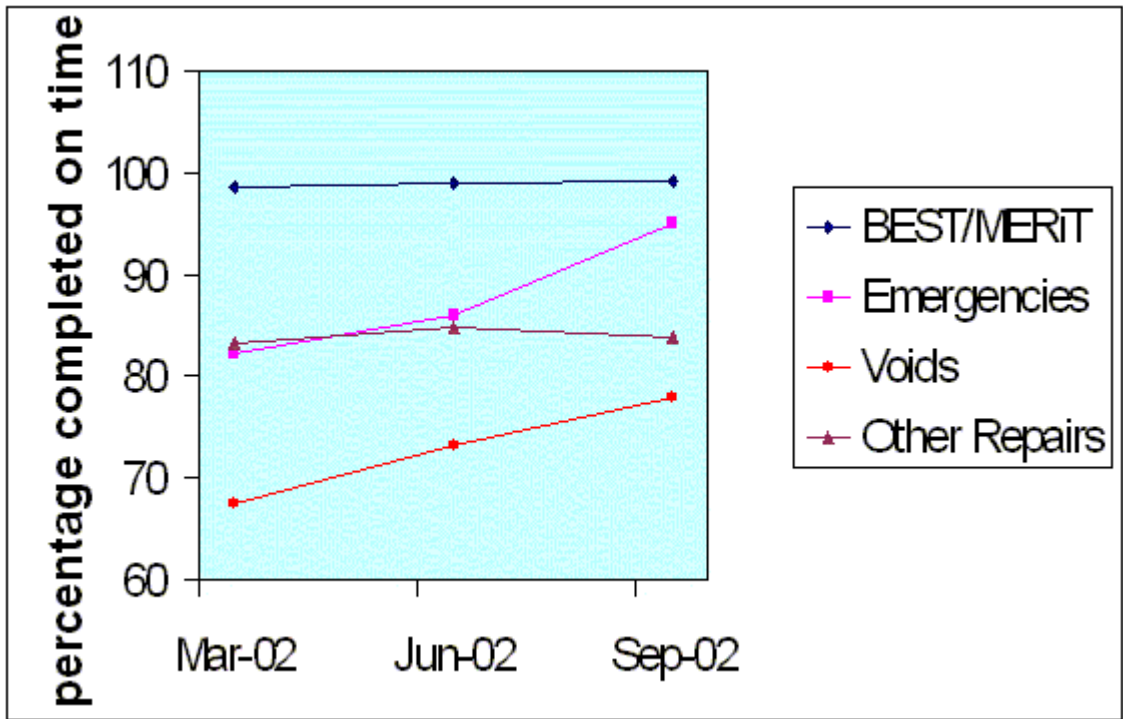
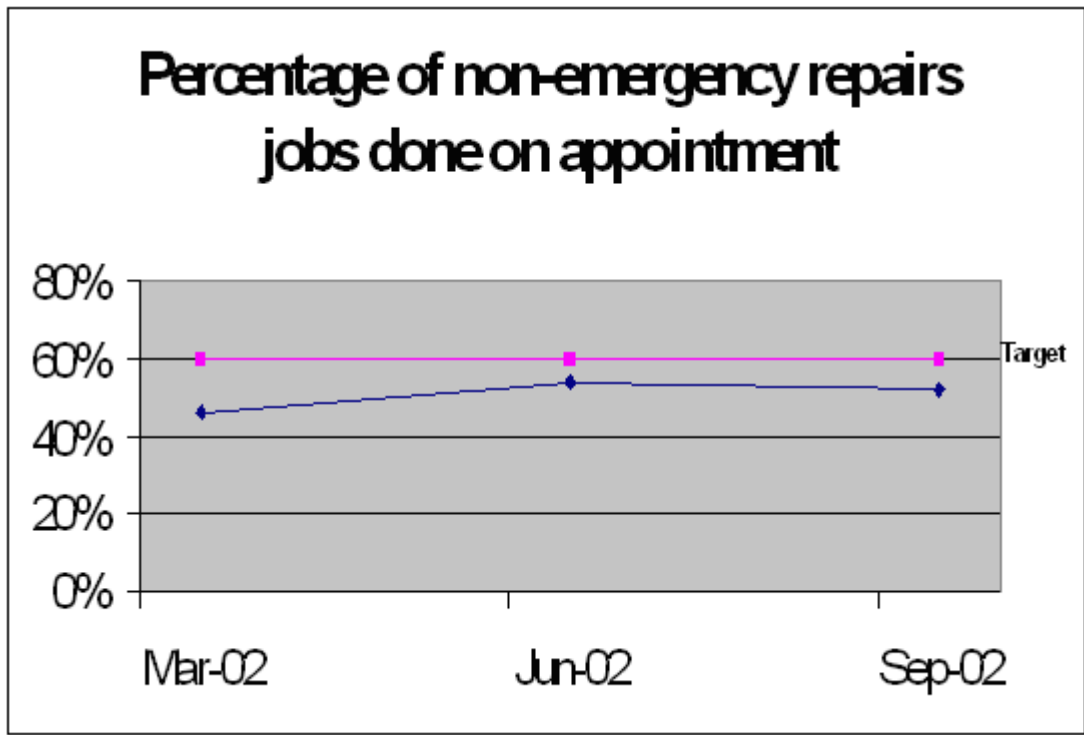
3.5 There are some issues regarding the speed of responsive repairs contractors completing repairs to empty properties, which are being addressed with them separately. We have also recently introduced a call-down contract to speed up work to empty properties that require major work.

3.6 The Property Shop in Leigh opened recently and the Wigan shop is due to open in January 2003. There are signs that this venture will have an impact on finding new customers though it is too early to assess the impact on relet times. There is some scope to improve efficiencies in the management of the process though the underlying problem is still one of low demand.

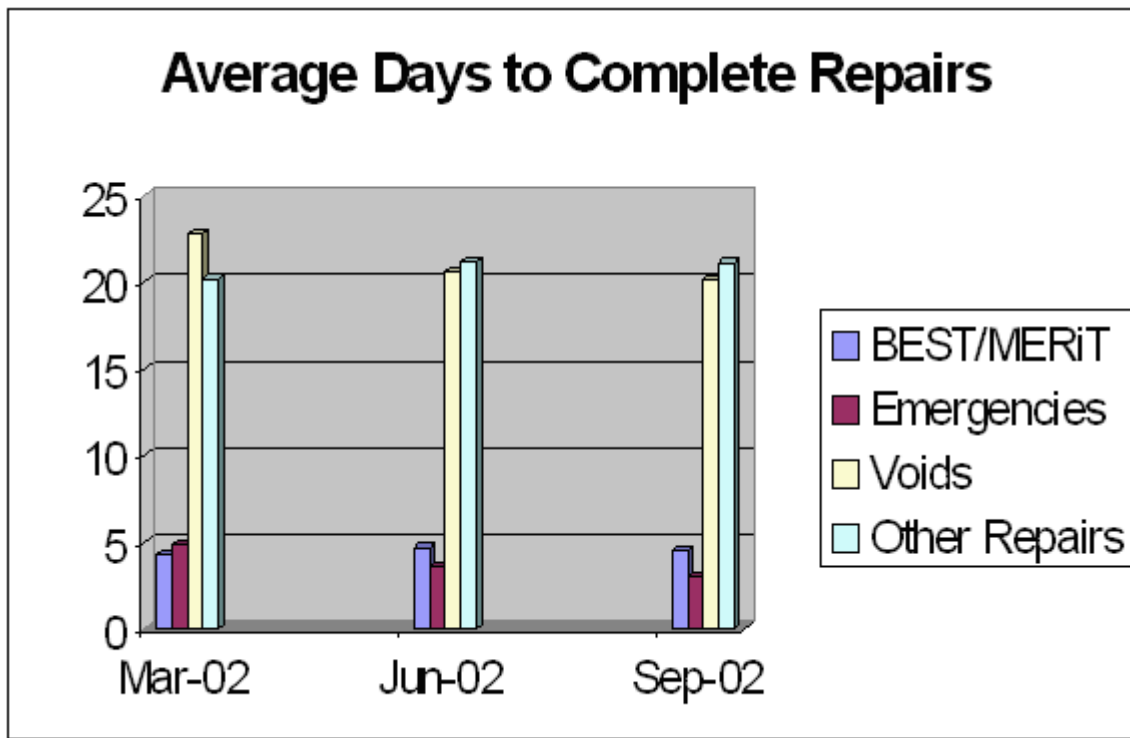
3.7 Whilst the average time to relet properties is not going down the overall numbers are going down. At the year-end there were 729 empty properties. This had reduced to 632 by 30th September 2002, a reduction of 97 (13.3%). Reducing the number of empty properties whether by reletting them or by demolishing them and landscaping the site has the effect of improving the appearance of estates and the quality of life for residents. Where the properties have been relet to a new tenant it is producing additional rental income for the Council.

4. Repairs Service

4.1 *The percentage of non-emergency responsive repair jobs for which an appointment has been both made and kept* is an indicator for which no target was set last year 2002/3. The figures are based on a sample of jobs rather than a full census. We are attempting to gather the data in different ways from various sources in the current year but have so far been unsuccessful in producing compatible data. With the limitations of the current IT systems we are still reliant on the repairs contractors providing information manually. The current position is set out below. The target is for contractors to carry out 60% of non-emergency jobs on appointment. Performance has been improving from the 46% achieved last year to 54% and 52% respectively in the first two quarters.



4.2 We measure both the successes of responsive repairs contractors in carrying out work within target times and the average time taken to carry out repairs. These are local rather than statutory indicators so comparison is against performance in earlier periods rather than against the performance of other organisations. Performance in the year to date is set out below.



4.3 The target for BEST and MERiT jobs and emergencies is that 100% get completed in time. At an average 99% this year the performance on the former is excellent. Physical completion of emergency work within target has always been high but contractors are not allowed to record completions retrospectively. The apparent significant improvement in emergency work done within target is more to do with better recording of completion dates by contractors to more accurately reflect reality.

4.4 The target for completing work to void properties is that 75% of them get completed on time. Current performance is up from 67.5% in 2001/2 to 73.1% at the end of the first quarter and ahead of the target at 77.9% in the second quarter.

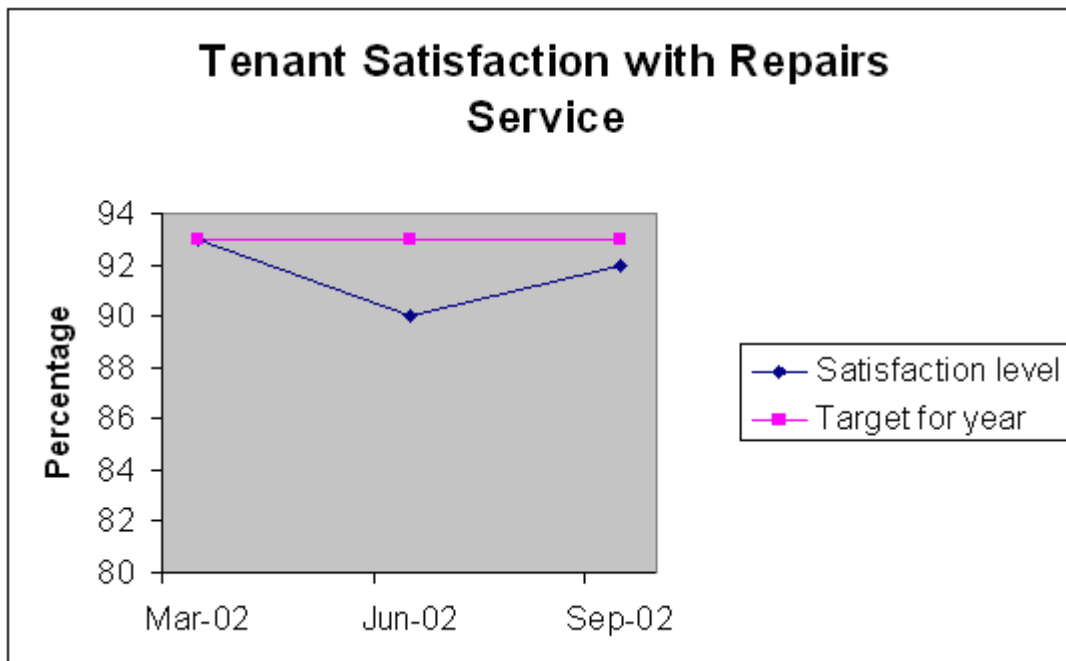
4.5 The target on timeliness for BEST/MERiT jobs is 4 days and current performance averages 4.6 days over the year to date, slightly longer than the 4.3 days it took last year. For other repairs the target is to carry them out on average within 20 days. Current performance is at 21.2 days, slightly outside the target.

4.6 It will become more difficult to sustain the performance on the average time taken to complete *other repairs*. As more and more minor repairs are moved into the BEST/MERiT way of operating the ones that remain in this category will comprise a higher percentage of larger jobs taking longer to complete.

4.7 The position with emergency repairs is the same as outlined at paragraph 4.3. Physical completions are quicker than the average 3.3 days shown but delays in the contractor recording the completions is depressing their performance figures. The target is to complete all emergency jobs within one day

4.8 The performance on void repairs is improving both in timeliness as well as in jobs completed in target.

4.9 Tenant satisfaction with the overall repairs service is measured on a quarterly basis. Again it is a local indicator so comparison is against earlier periods. Current performance is shown below. The target is to maintain the high satisfaction level of 93% achieved in 2001/2. Current performance is slightly below this at 90% and 92% respectively in the first two quarters.

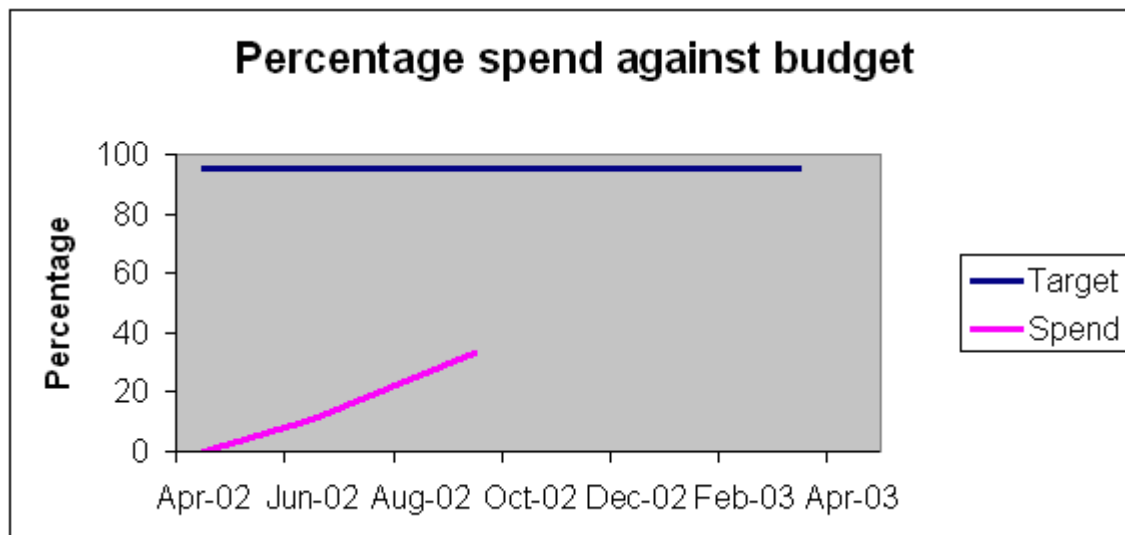


4.10 We also measure the number of disrepair claims made against the Council where a compensation payment is made. Prompt action is always taken whenever a disrepair claim is received. As a result the number of successful claims is relatively low with only 8 payments being made in 2000/2001. A target of 13 claims was set for 2002/3 to reflect an increasing number of claims being received as a result of extensive television advertising and door knocking campaigns by "No Win No Fee" litigation firms. In the first quarter only 1 compensation claim was successful and **none** in the second quarter.

4.11 In general, performance in the area of repairs is good and improving.

5. Programmed Work

5.1 Wigan & Leigh Housing is responsible for awarding and managing contracts for planned maintenance to Council dwellings. A target has been set to spend at least 95% of the total budget in the year. Spend is not evenly distributed throughout the year. In any year there is a slow build up at the start of the year with the pace of spending increasing substantially as work is completed. At the end of the first quarter, 10% of the budget had been spent rising to 33% by the end of the second quarter. Spending is in line with what would normally be expected at this time of year based on previous years experience. It needs to be borne in mind that this is an unusual year. If the additional ALMO resources are received there will be a significant increase in the total budget which will change the spend profile radically.



6. Corporate Health Indicators

6.1 In order to demonstrate that The ALMO is a good employer and to contribute towards the Council's corporate health indicators, the Delivery Plan includes a number of PIs in this area. Most only lend themselves to annual reporting. The exceptions are in respect of: -

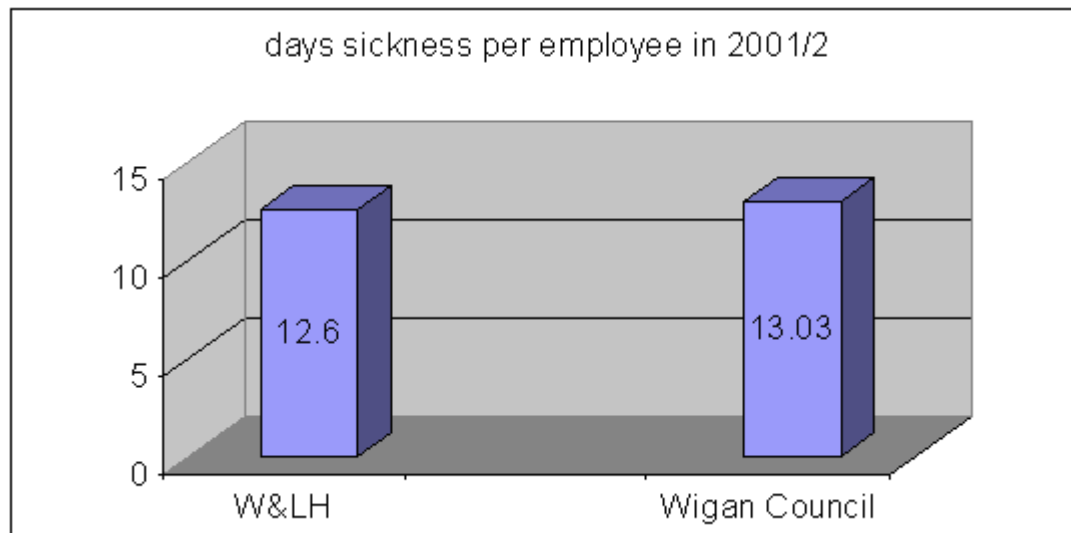
- payment of invoices
- sickness levels

6.2 The percentage of invoices paid within 30 days of receipt is a statutory indicator with a government imposed target of 100% the table below shows current performance

	W&LH Performance	Wigan Council	Top Quartile (Mets)
2000/2001	96.0%	92.8%	93% and above
2001/2002	92.3%	94.6%	
1st Qtr current year	94.2%		
2nd Qtr current year	79.5%		

6.3 Performance on paying invoices on time in the second quarter has been poor. The main reason has been that the move to the ALMO created the need to reorganise the central administration function to separate HR and Finance and Administration functions. Creating two new sections from one old one led to a number of gaps in the establishment and the need for a number of staff to change roles. During this changeover period a decision was taken to concentrate on tasks that kept the organisation functioning at the expense of some other areas. There will be a significant improvement in performance during the next quarter as posts get filled and retraining is completed. A review of the current authorisation process will also be undertaken in an attempt to streamline it.

6.4 The number of days lost due to sickness absence in the year 2001/2002 per employee was 12.6 days. A comparison with Wigan Council for the same period is shown below. A target reduction to 10.5 days has been set for the current year equivalent to 5.2 days after 2 quarters. After two quarters sickness absence per employee stood at 4.0 days, well within target.



7. Conclusion

7.1 The information in this report shows that the performance of Wigan & Leigh Housing is generally good. In some areas, notably repairs, the service is improving. In other key areas like rent collection and reletting empty properties it is proving difficult to maintain performance.

7.2 A number of initiatives have arisen through the Best Value reviews and some of these have now been rolled out boroughwide. It is still too early in the life of these initiatives for their impact to have had a significant impact on the information in this report. As other tasks in the improvement plan are completed they should, in turn, start to impact on performance.

7.3 The process of managing performance is continuing to evolve. As additional information becomes available it is likely to be reflected to some degree in future Delivery Plans and reported accordingly.

8. Recommendations

Members are asked to note the contents of this report

Appendix A

Indicator	Reporting Frequency
Housing BVPIs	
a) the proportion of LA homes which were non-decent at 1/4/02	Annually

b) the change in proportion of non-decent LA homes between 1/4/02 and 1/4/03	Annually
Energy efficiency – Average. SAP rating	Annually
Proportion of Rent Collected	Quarterly
Percentage of repair jobs where appointment was made and kept by LA	Quarterly
Satisfaction of tenants with overall service	Annually
Satisfaction of black and minority ethnic tenants with the service	Annually
Satisfaction of non-black and non minority ethnic tenants with the service	Annually
Does LA follow CRE's code of practice on rented housing?	Annually
Corporate Health Indicators	
Level of CRE standards which ALMO achieves	Annually
Percentage of senior management post filled by women	Annually
Percentage of senior management posts filled by black or minority ethnic workers	Annually
Proportion of working days lost to sickness absence (per member of staff)	Annually
Early retirements as percentage of staff in post (excluding ill-health)	Annually
Ill-health retirements as percentage of total workforce	Annually
Prompt payment of invoices	Quarterly
Number of staff who say they are disabled as percentage of total workforce	Annually
Percentage of ethnic minority staff on the workforce	Annually
Local Indicators	
Disrepair Claims resulting in compensation payment	Quarterly
Quality of Life on Estates	Annually
Percentage of repair jobs completed within target times <ul style="list-style-type: none"> ● BEST/MERiT ● Emergencies ● Voids ● Other repairs 	Quarterly
Average time taken to complete a repair <ul style="list-style-type: none"> ● BEST/MERiT ● Emergencies ● Voids ● Other repairs 	Quarterly
Overall satisfaction with the repairs service	Quarterly
Average relet times (days) for LA Dwellings let in previous financial year	Quarterly
Current tenants in rent arrears as a proportion of rent roll	Quarterly
Percentage of programmed spend achieved	Quarterly
Management Costs per dwelling	Annually

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