



Report to: Regeneration Panel

Date: 31st March 2004

Subject: Performance Report Wigan & Leigh Housing (2003/04) Third Quarter

Report of: Director of Environmental Health and Consumer Protection

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Purpose/summary: To report the third quarter performance of Wigan & Leigh Housing in financial year 2003/04

Alternative options considered and reason for selecting the one recommended: No decision

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 2003/04

Staffing: None

Policy: Housing Strategy

Equal Opportunities - Has a Diversity Impact Assessment been conducted? Reports will include progress on Equality Standard for Local Government and CRE Code of Practice for Rented Housing.

Wards affected: All

Special Interest Members – Which have been consulted: None

Tracking/Process:

	Consultation	Ward Members	Partners
	-	-	-
Panel	Overview & Scrutiny	Cabinet	Council
Regeneration 31.03.2004	-	-	-

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 11 March 2004

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 management of approximately 25,000 Council dwellings;
- 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. 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. This has involved looking at the rent collection service, planned maintenance, the budget process and re-lets process. These reviews will be reported shortly.

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	THIRD QUARTER
WALH OVERALL PERFORMANCE	?
STRATEGIC OBJECTIVES	★
CORPORATE HEALTH	●
BEST VALUE	★
CUSTOMER CARE	●
RENT	●
RE-LET/VOID	●
REPAIRS	?
RE-HOUSING DECOMMISSIONED STOCK	★
HOMELESSNESS AND SUPPORT	●
FINANCIAL	?
CONTINUOUS IMPROVEMENT	?
TENANT PARTICIPATION	●
CUSTOMER SATISFACTION & PERCEPTION OF PERFORMANCE INDICATORS	●
RIGHT TO BUY	▲

★ Exceeded Target by 5 %

● Met Target within 5% tolerance level

▲ Not met Target

? Currently not enough data available to assess as includes Annual Targets and data being audited

On the ALMO's Strategic Objectives, Housing Best Value indicators, re-lets/voids that performance is better than expected. 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. As reported at the half year position there is some doubt about the reliability of the data due to delays within the IT system, potentially this underestimates performance on emergencies and Best/merit categories of repairs. Discussions have taken place with Internal Audit and further work is being undertaken to assess the extent of this variance.

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. 86%**

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. 3.06%**

Last Years Performance	Target	Actual Position at the end of Q3 (31/12/04)
3.0%	2.9%	3.06%

(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. However locally 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 figure's 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 at half year than at the same point 2002/03.

Improvement goals

- to introduce new rents 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 especially true for Emergency and Best/Merit categories. Internal Audit are currently assessing the accuracy of the data. Whilst the current system does to some extent underestimate performance, it should be noted that all repair performance times including voids and other repairs have shown some deterioration in comparison with last year. This will need close scrutiny in the future when more accurate figures are available. In addition it is proposed that this area is included in next years programme of looking at risk area in depth. The new HMIS system when implemented will provide more accurate information.

● **L40 Homeless. 8.2 days**

Last Years Performance	Target	Third Quarter
11.2 days	8 days	8.2 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 Quarters 2 and 3 performance has improved over the last nine months.

● **L55 Average length of time to price notice for RTB. 70 days**

Due to a considerable increase in right to buy applications, the average period taken to provide price notices to applicants rose in the first half of the year. Additional temporary staff have been used to address the situation and there was significant improvement in quarter 3 performance.

Good Performance

● **HSO1 Proportion of Empty Homes as a percentage of stock. 1.9%**

Last Years Performance	Target	Third quarter
2.2%	2.1%	1.9%

The reduction in empty stock is a reflection of a whole series of issues including affordability problems in the private sector, increased homelessness, improving stock standards, reduced stock turnover and better access to housing via the property shops.

● **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.

● **L16 Percentage of rent lost through local authority dwellings becoming vacant. 1.63%**

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). 51 days.**

Last Years Performance	Target	Q1	Q2	Third quarter
60 days	51 days	57 days	47 days	51 days

The position is much better than last years performance (60 days). However this progress needs to be maintained to avoid slippage in the final quarter.

Equality & Diversity

Progress in this area, with particular reference to CRE Code of Practice in Rented Housing is very encouraging. However there has been no formal assessment of either the CRE COP Rented Housing or Equality Standards for Local Government undertaken this year.

WALH have achieved many changes and improvements in this specific area and need to maintain commitment to achieve the continuous improvement.

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, with the quarterly performance reported in the table below. In overall terms of the indicators available 82% are currently on target. However this percentage excludes some key performance data which is either not currently available or is only measured annually. The year-end position may therefore vary considerably.

Performance Indicator	No of quarterly Indicators	No of indicators reported	No of available indicators on Target	% of available indicators on Target
Housing Strategy objectives	3	3	3	100%
Corporate Health objectives	2	2	0	0%
National Best Value indicators	5	5	5	100%
Local performance indicators	50	28	23	82%
Total	60	38	31	82%

During 2002/03 WALH's focus was 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 achieved its objectives and the Council and its tenants will benefit from ALMO resources of up to £137 million over a four year period.

WALH are using the current 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 are diverted to training and implementation, however WALH is aware of the importance of high quality services and is continuing to strive to maintain performance.

Conclusion:

In overall terms the position of WALH at the quarter 3 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 compared with the previous year. 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. [Performance Indicators](#) [PDF: 73KB]

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