



## Performance Report Wigan and Leigh Housing 2005/06 3rd Quarter

<b>Report to:</b>	Community Protection Panel
<b>Date:</b>	13 March 2006
<b>Subject:</b>	Performance Report Wigan and Leigh Housing 2005/06 3rd Quarter
<b>Report of:</b>	Director of Community Protection Department
<b>Contact officer:</b>	Peter Layland 4135
<b>Purpose / summary:</b>	To report the 3 <sup>rd</sup> quarter performance of Wigan and Leigh Housing for 2005/06.
<b>Alternative options considered and reason for selecting the one recommended:</b>	
<b>Recommendation / decision:</b>	Panel's views are invited on the performance of Wigan and Leigh Housing
<b>Key Decision:</b>	This report does not involve a key decision.
<b>Implications:</b>	
<b>Financial:</b>	Housing Contract valued at £15m per annum
<b>Staffing:</b>	None
<b>Policy:</b>	Housing Strategy
<b>Equal Opportunities - Has a Diversity Impact Assessment been conducted?</b>	Report includes progress on equality.
<b>Wards affected:</b>	All
<b>Special Interest Members – Which have been consulted</b>	None
<b>Has the Director of Legal and Property Services confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?</b>	N/A
<b>Has the Director of Finance and IT confirmed that any expenditure referred to within this report is consistent with the Council's budget?</b>	N/A
<b>Are any of the recommendations within this report contrary to the Policy Framework of the Council?</b>	N/A

### Tracking/Process:

	<b>Consultation</b>	<b>Ward Members</b>	<b>Partners</b>
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<b>Panel</b>	<b>Overview &amp; Scrutiny</b>	<b>Cabinet</b>	<b>Council</b>
Community Protection 13.3.06	-	-	-
<b>Proper Officer</b>	Bob Saunders		
<b>Date</b>	2 March 2006		

## 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 Wigan and Leigh Housing is significant. Within the contractual arrangement with Wigan and Leigh Housing (WALH) the company is required to submit performance management information.

Wigan and Leigh Housing manage approximately:

- 23,500 Council houses
- additional ALMO capital resources of £137m
- payment of an annual management fee of over £15m
- contributes to key housing and corporate objectives

The company's performance also impacts on key government assessment of the Council's performance notably:

- Council's Housing Strategy and
- Comprehensive Performance Assessment

The performance management framework that helps govern the relationship between Wigan and Leigh Housing and the Council was reviewed earlier in the year. The new arrangements were agreed by Cabinet on 6 October 2005 and they largely retained the main elements of the performance framework including:

- System of monthly and quarterly meetings
- Annual meeting
- Annual Questionnaire

However extensive changes were made within the information selected for monitoring, with the number of performance indicators being reduced so as to concentrate attention on key aspects of the service. It was also agreed to monitor the priorities of the Annual Business Plan on a quarterly basis. This information is shown in Appendix 1 and 2 of this report.

## Summary of Performance

Wigan and Leigh Housing (WALH) performed reasonably well in 2004/05 making progress on most aspects of their performance. Performance as measured by indicators within Appendix 1 has made continued progress during the first 9 months of 2005/06 with 60% being on target. Areas where improvements are being made include the important areas of rent collection, most aspects of repairs and the number of empty homes. Progress against the decent homes target is also good along with tenants' satisfaction with the works. Areas of concern centre on homelessness, especially the increased use of bed and breakfast, together with a deterioration in the time taken to relet properties.

In relation to performance against the priorities within the Annual Delivery Plan progress in the first 9 months of the year has been slow. There is significant concern about the lack of progress in certain key areas such as value for money / procurement issues. Whilst not WALH's fault, there are also major worries surrounding the future of the relationship between WALH and the Council when the current contract ends in March 2007. This is due to the continued delays in government guidance on this issue and due to possible legal challenge about the tendering of work without competition.

The main detailed issues to emerge from the 9 months review were the following:-

## Critical Risk Factors (Performance Indicators)

Following the Quarter 2 report, three areas where performance was either within the lowest quartile (against other Councils) or had deteriorated were chosen for further investigation and for an Action Plan on future performance to be developed. These 3 areas were:-

- Urgent repairs on time.

Performance on most aspects of repairs is relatively good. However, past performance on urgent repairs (87.44% in 2004/05) was within the lowest quartile performance within the CPA methodology.

Performance in the 3<sup>rd</sup> quarter of this year shows significant improvement. However the year-to-date figure still only just above the threshold for the lowest quartile in 2003/04. There is a risk that the threshold used for benchmarking 2005/06 data will be higher and as such WALH performance will remain in the lower quartile. Wigan & Leigh Housing are reviewing the data used in determining performance as there appears to be considerable fluctuation in the number of jobs each quarter that fall within the definition of this PI and it is vital that the better performance is maintained in Quarter 4.

- Average time in temporary accommodation (Bed and Breakfast)

Past performance in this area had been top quartile in comparison with other councils. However, the figures at Quarter 2 were showing a marked deterioration with nearly £150,000 spent and residents averaging 3 weeks per stay. This followed increased numbers of homelessness acceptances and a reduction in the stock available.

Joint work with WALH, the Council and partner agencies, particularly around prevention of homelessness has helped reduce the ratio of those which the Council has a duty to accommodate. Wigan and Leigh Housing have also increased the number of tenancies they furnish and use as emergency accommodation. The net effect has been a significant reduction in the use of temporary accommodation in the last 3 months.

Whilst the year to date performance places WALH within the mid-performance thresholds, the overall aim is to try to stop using bed and breakfast except in exceptional circumstances.

- Repeat Homelessness

Performance in 2004/05 for repeat homelessness was within the lowest quartile within the CPA methodology.

Through additional funding via the Homelessness Directorate and directly from Wigan Council, WALH have now recruited 3 homelessness prevention officers. Repeat homelessness performance for the 3<sup>rd</sup> quarter of 2005/06 has now improved and is in the upper quartile. However, the year to date figure remains within the mid-performance threshold.

Besides these 3 areas of special concern the following areas were seen as critical risks:-

- Relet Times

Average relet times have slipped and whilst year to date performance is still within the mid-performance thresholds, further slippage may result in only lower quartile attainment.

- Repairs

Repairs performance on voids has improved, but remains below target.

- Homelessness

The proportion of homelessness applications determined within target timescales has fallen as there has been a shift in focus

towards better quality homelessness assessment and prevention of homelessness as outlined above.

#### Critical Risk Factors (Priorities; Delivery / Business Plan)

In overall terms WALH progress against its priorities within its Delivery / Business Plan has not been good over the first 9 months of the year. Particularly highlighted are:-

- Future Vision / Management Agreement Post 2007

Whilst some progress on visioning and on gaining tenants' views has occurred this area remains a major risk. This is largely due to the continued delay in the government proposals paper on the future of ALMOS. However, this is now compounded by the delays in the appointment of the new Chief Executive and the recent EEC legal judgements which has cast doubt on the legality of extending contracts without competition. Action is needed within this area and it is now proposed that discussions between WALH and the Council commence before the government proposals paper is available. It is also suggested that Counsel's opinion is also sought on the effect of recent EEC cases on the re-negotiation of the WALH / Council Management Agreement post 2007.

- Procurement / Value for Money

There has been a lack of progress on this key area largely due to capacity issues within WALH. However, it was a key part of the Housing Inspectorate recommendations and therefore progress needs to occur. It is proposed that the Council and WALH will meet to discuss progress and develop an Action Plan to set future direction.

- Level III of Equality Standard for Local Government CRE Code of Guidance

There has and continues to be significant activity within this area. It has now been confirmed by an independent consultant that WALH now comply with the CRE Code of Guidance and following discussion the target for achieving Level III of the Quality Standard has been reset for April 2006.

- Complete current reviews

A host of reviews on different services are included within the Delivery / Business Plan. In many cases the majority of the work has been progressed but not completed. These areas need to be finalised and signed off before the year end eg rents, lettings etc.

#### Good Performance (Performance Indicators)

- Repairs

High levels of satisfaction with the repairs service are a reflection of W&LH's performance on repairs. 99% of Repairs appointments are kept and the average time to complete non-urgent repairs is only 8 days.

- Tenancy Sustainment

95% of tenants supported by the Housing Link team continue to manage their tenancy successfully after their support ends.

- Rent Collection

The performance on rent collection at the Quarter 3 stage is encouraging and is an improvement on the previous year.

- Proportion of Non-decent Homes / Satisfaction with works

Progress on this key issue continues to be good achieving both the planned reduction in non-decent homes and maintaining a high

tenant satisfaction with the works.

- Reduction in Empty Homes

The number of WALH properties empty continues to reduce and targets have been exceeded.

Good Performance (Priorities; Delivery / Business Plan

- Service Excellence Review

Progress on the Service Excellence Review has been good and progress has exceeded the Plan.

- Ince Central

Given the difficulties and complexities within this difficult area performance on appointing contractors, consultation etc has been good.

## Conclusion

WALH performance in recent years has demonstrated improvement in many areas. Indeed some aspects of its performance especially around tenant satisfaction and investment is outstanding. They have also transformed their relationship with tenants. This is demonstrated by being shortlisted for Beacon Status for Tenant Participation for 2006/07.

However this progress report, like previous ones, has identified a number of areas of concern which need significant attention. These areas include performance within aspects of homelessness, urgent repairs and relet times and probably more importantly the lack of progress against the Delivery / Business Plan.

Some progress has occurred since the last report against key CPA performance targets. This has followed joint dialogue between the Council and WALH and the development of action plans in key areas eg use of bed and breakfast. However major concerns remain around aspects of the Annual Business Plan especially relating to Best Value / Procurement and over negotiations over the future contract between the Council and WALH.

These issues will be tackled via meetings between WALH and the Council to develop further Action Plans on Best Value / Procurement, whilst progress on contract negotiation will be renewed despite being handicapped by the lack of government guidance on future options.

## Appendices

- [Appendix 1](#)  [43kb]
- [Appendix 2](#)  [14kb]

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