

**Report to: Service Delivery Scrutiny Committee**

**Date: 17<sup>th</sup> November 2005**

**Report of: Head of Housing Strategy**

**Subject: Monitoring Performance of East Durham Homes & Future Monitoring Arrangements**

**Ward: All**

## **1. Purpose of Report**

1.1 This report is intended to provide members of the Service Delivery Scrutiny Committee with details of the performance of East Durham Homes (EDH) for the first two quarters of the current financial year. The report also makes recommendations for the future composition and scope of information presented to the Committee in relation to the Council's monitoring of East Durham Homes and the Council's wider Strategic Housing function.

## **2. Background**

2.1 The monitoring information attached as appendix 1 represents the fifth & sixth quarterly monitoring reports since the establishment of EDH in April 2004.

2.2 It contains monitoring information in respect of all the service areas which are managed by EDH :

Housing Management  
Care Services  
Repairs & Maintenance

2.3 These service areas are subject to performance monitoring by way of either statutory Best Value Performance Indicators (BV) or locally agreed performance indicators (EDH). The attached report sets out EDH's performance against these indicators against targets set.

2.4 Appendix 2 provides details of the Capital Works (HIP) programme for 2005/6.

2.5 In summary, I would like to draw the Committee's attention to the following areas of performance:

- There are 51 indicators in all, 10 of these are reported annually and there is no performance information for 1 of the indicators which is reported quarterly.
- Of the 40 where information is available 15(37.5%) are on target, 6(15%) are within the 5% target tolerance, and 19(47.5%) are not on target.

- 2.6 The key service areas of concern are the void re-let times, some of the repairs response times, and appointments for responsive repairs.
- 2.7 Whereas performance in the areas of homelessness, rent collection and response times for emergency repairs and those completed within 60 working days(category 5) has improved since last year, and in some instances 100% performance has been achieved.

### **3. Position Statement & Option Appraisal**

- 3.1 It is clear from the information provided in the appendices (as summarised in para 2.5) that there is a need to continue to actively monitor and address performance issues with EDH.
- 3.2 Members of the Committee will be aware that I have been working with EDH and Paul Hardisty from the Housing Quality Network on a '3\* Service Strategy' which brings together the key organisational and operational changes required to achieve a minimum 2\* rating by the Audit Commission when they re-inspect EDH in September 2006. A report detailing the key changes and financial implications from this 3\* Strategy is expected to be presented to Council later this month.
- 3.3 A fundamental part of the process towards achieving the aims of the 3\* Strategy is more robust performance management by EDH Senior Management Team and Board. It is also important that a more clear and robust monitoring framework is put in place by the Council to ensure that the overall direction of travel in achieving service improvements is scrutinised and challenged at the correct level, while ensuring that EDH retain their 'Arms Length' operational integrity.
- 3.4 Under the proposed new approach future monitoring of EDH will be based on the service improvements, performance indicators and targets set out in the Annual Delivery Plan. This would be based on:

**Management Agreement** – an existing document that provides the legal basis for the relationship and establishes the 10 year agreement between the two organisations. This remains unchanged.

**Delivery Plan** – a revised document for 2006/7 that provides more detailed information on the specific agreed areas of Service Delivery and other delegated activity. It will establish 'top line' targets for key performance indicators including the relevant statutory BVPIs and other locally agreed indicators. Based on a 3 year rolling plan (first year fixed, two years projected/aspirational) to allow for better forward planning on both sides, the Delivery Plan will subsume activity from the following key documents:

- EDH Business Plan
- EDH/EDC Service Improvement Plan
- EDH 3\* Service Plans
- EDC Capital Programme/HRA Business Plan
- EDC Housing Strategy

**Management Fee** – negotiated on an annual basis as part of the Delivery Plan review process, this reflects the fee paid by the Council for the delivery of the agreed activities set out in the Delivery Plan. Ideally the Management Fee would include flexibility to award/penalise performance against agreed KPIs, although this may take some years to develop in practice. Importantly Management Fee projections would be made against the Y2&3 projections within the Delivery Plan to allow for better business planning on both sides.

- 3.5 It is anticipated that future monitoring reports to this Committee will consist of the ‘performance indicators’ from the Delivery Plan, i.e. a reduction of detailed operational information. In addition, it is proposed that the Committee will be presented with performance indication from other elements of the Housing Service including :

Private Sector Housing (Decent Homes, Fuel Poverty, Adaptations, Enforcement, etc),

Homelessness (presentations, waiting lists, vulnerable groups, etc),

Development (new affordable housing, vulnerable groups, etc) and

Resident Involvement. This will allow the Committee to take a more holistic view of the Strategic Housing function of the Council while maintaining strong links to the key service delivery PIs for EDH.

- 3.6 It is suggested that the existing monitoring format is continued for the remainder of the current financial year, with the new arrangements being introduced for 2006/7.

#### **4. Implications**

##### 4.1 Financial Implications

There are no financial implications

##### 4.2 Legal Implications

The report complies with reporting requirements contained in the Management Agreement between the Council and East Durham Homes

##### 4.3 Policy Implications

There are no policy implications

4.4 Risk Implications  
There are no risk implications

4.5 Communications  
Appropriate monitoring information contained in the report will be communicated via the Council's Website, Info Point, Tenants Newsletter, Notice Boards and Area Housing Offices.

## **5. Corporate Implications**

5.1 Corporate Plan and Priorities  
The evaluation of performance by East Durham Homes will maintain an overview of the Company's contribution to the Council's Mission Statement and Strategic Objectives.

5.2 Equality and Diversity  
There are no equality and diversity implications

5.3 E-Government Implications  
There are no E-Government implications.

5.4 Procurement Implications  
There are no procurement implications

## **6. Recommendations**

6.1 Members are recommended to note the information provided in the appendices to this report.

6.2 In addition, members are recommended to consider the proposals for the future role of the Committee provided in 3.5 & 3.6 above.

### **Background Papers/Documents used in the preparation of this report.**

Corporate and Performance Plan 2005/2006  
Files held in Housing Strategy Unit  
East Durham Homes Performance Files.