

**DURHAM COUNTY COUNCIL**  
**ECONOMY AND ENTERPRISE**  
**OVERVIEW AND SCRUTINY COMMITTEE**

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 1A - County Hall, Durham** on **Thursday 17 November 2011 at 10.00 am**

**Present:**

**Councillor J Moran (Chair)**

**Members of the Committee:**

Councillors A Naylor, B Arthur, J Cordon, B Graham, P Jopling, C Potts and M Williams

**Co-opted Members:**

Mr A Kitching and Mr JB Walker

**Apologies:**

Apologies for absence were received from Councillor(s) C Carr, J Hunter, P Stradling, A Willis, Mrs O Brown and Mr D Lavin

**A1 Declarations of Interest, if any**

Councillor P Jopling declared a personal interest in relation to Item 3, as a Board Member of Dale and Valley Homes.

**A2 Items from Co-opted Members or Interested Parties, if any**

There were no Items from Co-opted Members or Interested Parties.

**A3 Performance Reporting: Durham City Homes, Dale & Valley Homes and East Durham Homes**

The Principal Overview and Scrutiny Officer, Stephen Gwilym referred Members to the covering report within the agenda papers and noted that the format of the meeting would be similar to last year, though a summary of the performance information had been produced for Members' information and was also attached to the agenda papers. Members noted that the Chief Executives of each of the Arms Length Management Organisations (ALMOs), Dale and Valley Homes (DVH) and East Durham Homes (EDH), together with the Manager of Durham City Homes (DCH) would give a brief presentation and speak to the Committee as regards their Annual Report and performance.

The Chair introduced the Manager, DCH, Simon Bartlett to speak in relation to the Council's "In-House Housing Organisation".

The Manager, DCH explained that the Annual Report for DCH was developed in conjunction with Tenants, set out the performance in terms of the Tenants Services Agency (TSA) Standards and also included a section relating to finance and governance. Members were reminded that DCH was “In-House” to the Council and sat within the Regeneration and Economic Development (RED) Directorate and therefore had different governance arrangements than the 2 ALMOs. The Committee noted that the Annual Report had been developed with input from the Tenants’ Panel at workshops sessions; focus groups; questionnaires to the “Sounding Board” a mailing list of over 350 Tenants; feedback from the “Tenant Matters” newsletter; an internet based survey; input from Staff and also taking into consideration the priorities identified by the Tenants’ Panel.

The Committee heard that in relation to the TSA Standard “Tenant Involvement and Empowerment” DCH had introduced a compensation scheme, should service standards not be delivered; worked with young people via Centrepont and held a first “Tenant Matters” conference. Councillors heard that priorities for 2011/12 were a Tenant Incentive Points Scheme; development of a Tenancy Sustainment Service and development of a “hard to reach” Involvement Programme. Members noted the performance in relation to this standard, with an increase in customer satisfaction with the Tenants’ Panel having agreed the TSA requirements had been met, however they noted areas for improvement being: involving more tenants in the existing groups; increasing the diversity of involved tenants; increasing the variety of ways to get involved; looking to changing meeting times to suit tenants and letting more people know what DCH were doing.

In relation to the TSA Standard “Home”, the Manager, DCH explained that all homes were at the Decent Homes Standard (DHS) as of 31 March 2011; DCH had extended the hours of contact in relation to non-emergency repairs and introduced text message alerts regarding repairs appointments. Councillors heard that priorities for 2011/12 were to explore alternative energy schemes; look at a “handyperson” scheme and introduce a text message service to report repairs. The Committee noted that performance was high in relation to this TSA Standard, though the issue of emergency repairs within timescale would need to be improved upon.

Members noted the Tenants’ Panel were happy with performance and that DCH should aim to improve what they do, and specifically do more environmental improvements.

The Manager, DCH noted for the TSA Standard “Tenancy” DCH had performed better than last year in relation to rent collection and reduced the time taken in re-letting properties, though further reductions were needed. Members noted that the new Tenancy Agreement had been published; a “lettable standard” had been agreed with tenants and a number of Council Communal Rooms had been converted into rented housing. The Committee noted that the Tenants’ Panel were satisfied that the TSA Standard was met, though DCH should look to find more ways of supporting new and existing tenants and ensure homes are well managed using Tenancy Enforcement Action where required.

Councillors learned that in relation to the TSA Standard “Neighbourhood and Community”, DCH had several achievements: the introduction of 24 hours reporting for anti-social behaviour (ASB); further developed Estate Walkabouts and “Estate Guides” for each of the DCH estates. Members noted that the priorities for 2011/12 were to establish a victim support service for people suffering ASB; to publish a Neighbourhood Policy and to set up Neighbourhood Groups to increase local involvement and to develop a Support Service Directory for tenants and leaseholders.

The Manager, DCH explained that the Tenants' Panel had noted that they felt DCH should deal with ASB issues quickly; establish local groups to promote community pride and to invest more funding in this area.

The Committee noted that for the final applicable TSA Standard, "Value for Money", DCH had joined the North East Procurement Group, giving a saving of £572,000 which could be reinvested in DCH properties; made a saving of over £161,000 on buying supplies and utilised volunteers, including people provided by the Probation Service, to reduce costs in relation to the painting of garage blocks. The Manager, DCH explained that the 2011/12 priorities were to review existing Service Level Agreements (SLAs) to maximise value for money; establish a Value for Money Working Group and to review the service level of the furniture scheme. Members noted that the Tenants' Panel had wished for further involvement in the financial decisions of DCH; more involvement in the management of contracts awarded by DCH and involvement in the specification of DHS.

The Manager, DCH explained that whilst the TSA Standard relating to Governance and Financial Viability was not technically applicable to DCH, the Annual Report did set out the information for clarity. Members were reminded that the Council's Cabinet was the actual decision making body, the DCH Non-Executive Board had its Terms of Reference refreshed; work had been undertaken with the Tenants' Panel to enhance their "scrutiny" role and the Service Improvement Groups had been looked at in order to ensure they continued to drive forward improvements.

Members were informed that for 2011/12 the priorities were to develop the role of the Tenants' Panel in scrutinising the work of DCH and that the biggest issue, indeed for all 3 Housing Providers, was that of changes to the financing of Council Housing and the ongoing Stock Options Appraisal (SOA) Project, which Members were already aware of through ongoing consultation and several Special Meetings of the Committee attended by the Council's Stock Options Appraisal Project Manager, Marie Roe and the Cabinet Portfolio Holder, Councillor C Robson. The Manager, DCH referred Members to the information within his presentation relating to finance, both capital and revenue and noted the work in relation to young people's employment with the "freeze" on the apprentice programme and one apprentice currently within the Repairs Section having been awarded Best North East Plumber of the Year. The Officer concluded by noting the planned improvements to be delivered in-house and through North East Procurement contracts would target 2 trainees per £1 million of contract value and 49 people in 2010/11 who undertook training, 11 with Durham postcodes, and so far 51 undertook training in 2011/12, with 13 of those having Durham postcodes.

The Chair introduced the Chief Executive of DVH, Peter Chaffer to speak in relation to the performance and Annual Report for DVH.

### Dale and Valley Homes

Members were reminded that DVH was set up in 2006 and was responsible for over 4,000 properties, employing 75 people the majority of which lived locally. The Chief Executive, DVH noted that DVH had placed 26 out of 100 in the Sunday Times list of "best places to work in the public sector", best place public sector organisation in the North East and best ALMO in the country.

The Committee noted that DVH worked with Stakeholders: Customers through the Wear Valley Customer Panel and Customer Scrutiny Group; the Board with Vice-Chair being a customer and the Chair of one of the Committees being a customer; Young People with apprentices making up 10% of the staff and over 25% of the staff being former apprentices; and Partners working with Esh Property Services, Gentoo and Frank Haslam Milan (FHM).

The Chief Executive, DVH explained that customers had played a key role in deciding the format and content of the Annual Report with Housing Quality Network praising the Report stating "...like the format and feel of your report and it's been my favourite so far...".

Members noted that for 2010/11 DVH performed at target in relation to repairs and rent arrears and were ahead of target in relation to decent homes and empty properties. Councillors noted that staff sickness absence levels were above target, though represented a small percentage as DVH had a small number of staff. The Chief Executive, DVH explained that the target of 0% gas safety certificates outstanding, with the 2010/11 figure having been 0.07%, though it was noted that this situation had now been rectified.

In relation to the TSA Standard "Tenant Involvement and Empowerment", the Chief Executive, DVH explained that DVH was working well, with the investment of £219,000 in customers focus and the customer led scrutiny was in operation, having produced its first report. Members learned that satisfaction in relation to keeping customers informed had risen from 79% in 2008 to 91% in 2011; Customer Guarantees (Local Offers) had been established and DVH was working towards achieving the Customer Service Excellence Award.

The Chief Executive, DVH explained that for the TSA Standard "Home" DVH had managed to achieve a DHS of 93.7%, above the 2010/11 target and would deliver the "Decent Homes Plus" standard for all its properties by the end of 2013. Members noted ongoing improvements would be made in relation to the percentage of repairs completed right first time and in reducing the costs of repairs and maintenance.

The Committee learned that for the TSA standard "Tenancy", DVH had worked with the Council to deliver a £3.5 million development to replace two out-dated sheltered schemes, with the total investment being made by DVH being around £7 million. The Chief Executive, DVH added that a new Tenancy Agreement had been introduced and the Organisation was performing well in relation to rent collection. Councillors were interested to note that DVH had extended their contract with the Citizen's Advice Bureau (CAB) to assist customers with debt management issues and working to improve by the introduction of a Tenancy Sustainment Service; striving to improve re-let times for empty properties; improving satisfaction with new homes and holding the district-wide gardening competition.

The Chief Executive, DVH explained that in relation to the TSA Standard "Neighbourhood and Community" DVH had improved with customer satisfaction with their neighbourhood having increased from 78% in 2006 to 87% in 2011. Members learned that DVH had reviewed their approach to ASB, which was monitored through "customer guarantees". The Committee noted the continuation of the "Better Homes, Better Lives" fund for grants of up to £500 for community groups and the "Good Neighbour" awards in conjunction with the Weardale Gazette and Wear Valley Mercury newspapers. Councillors were informed that DVH were looking to introduce a gardening service to all customers, albeit a chargeable service, and to provide a more proactive service to tackle ASB.

The Committee learned that in relation to the TSA Standard “Value for Money” that DVH had reduced its costs by 12% over the last 5 years, allowing for inflation and the staff restructure for the end of 2010/11 will allow for costs to be 25% lower by the end of 2012/13 whilst improving performance. Member noted that DVH had reduced its repair costs by £300,000 last year, though further saving were required in this area. The Chief Executive, DVH added that as customers were a prime focus, DVH spend more on customer involvement and training compared to other ALMOs.

Similar to DCH, the Chief Executive, DVH explained that as an ALMO, DVH was not required to meet the TSA Standard in relation to “Governance and Financial Stability” though Members were informed DVH had a governance structure that: delivered in line with the DVH Business Plan in a transparent and accountable manner; provided effective risk management; included financial implications on all Board papers; a Finance and Audit Committee to oversee all spending; and customer led scrutiny built into arrangements feeding back through to the Finance and Audit Committee.

The Chief Executive, DVH added that the service standards “customer guarantees” introduced in April 2011 were performing well, with only 6 of the 45 guarantees not being delivered, and measure were being put in place to deliver on those 6 outstanding guarantees. As requested by Members, it was noted that DVH had 20 apprentices either in-house (7) or through sub-contacts with Esh Property Services on the decent homes works (4) and FHM on new build projects (9). Members noted that 12 former DVH apprentices now had permanent positions with DVH, and 5 former apprentices from DVH had moved into full-time positions at other companies. The Chief Executive, DVH noted the success of Clair Ord, one of DVH first apprentices who had been recently named as “Young Leader of the Year” by 24 Housing magazine.

The Chief Executive, DVH concluded by noting the sad passing of the Chair of the DVH Board, Norman Button. Members were made aware of the passion Mr Button brought to the role and in particular his focus on customer care and helping young people through apprenticeships. The Committee noted that Mr Button would be greatly missed by all of the DVH staff, customers and Board Members.

The Chair introduced the Chief Executive of EDH, Paul Tanney to speak in relation to the performance and Annual Report for EDH.

### East Durham Homes

The Chief Executive, EDH noted that the Annual Report for EDH followed the TSA Standards, similar to the other reports and that again it was developed in conjunction with a Tenants’ Editing Panel, and the version within the agenda papers was a shortened version based upon a larger report.

The Committee learned that in relation to the TSA Standard “Tenant Involvement and Empowerment” EDH had gained the Customer Service Excellence Award; had met 95% of its service standards and improved performance in relation to complaints, satisfaction and the percentage of queries dealt with at the first point of contact.

Members learnt there was Resident Scrutiny in the form of the Customer Improvement and Inspection Panel, with 2 reports having been made, the first having made 23 recommendations, 14 being implemented thus far, the second on ASB being presented to the Board on 24 November 2011.

The Chief Executive, EDH added that EDH had been a finalist in the National Federation of ALMOs (NFA) Awards for "Best use of Communication" and was an Investor in Diversity; a Stonewall Diversity Champion; and carried out sheltered housing unit improvements.

In respect of the TSA standard "Home", Members noted that EDH had installed windows to 1,698 properties and completed 888 disabled adaptations with an average waiting time of 4.87 weeks. The Committee learned that 624 homes had been made decent and 35,458 repairs had been completed, with an average repair time being 8.7 days. The Chief Executive, EDH noted that 100% of EDH properties had a gas safety certificate, and 20 block flats had been decorated, with a further 19 planned for this upcoming year.

The Chief Executive, EDH explained that in relation to the TSA standard "Tenancy", EDH had introduced: Digi TV for Durham Key Options; reduced re-let times to 22.53 days; worked to help develop the Credit Union; gave advice to 1,200 customers generating £96,000 extra benefits.

Members learned that for the TSA standard "Neighbourhoods and Community", EDH had 107 people utilise the handyperson scheme, had participated in the DCC "Impact Education Programme" and made improvements in relation to environment and ASB issues. Councillors learned that in relation to the TSA standard "Value for Money", EDH had a specific "Value for Money Review Group", achieved efficiency savings of £977,759 and made investments of £283,736 in growth areas with a mind to invest another £200,000 into the programme.

The Chief Executive, EDH explained that similarly to the previous two organisations, EDH did not have to comply with the TSA standard "Governance and Financial Liability", however, it was noted that the EDH Board had independent representation and had a 79% attendance rate for meetings.

Members noted that for EDH, the main performance issues to be addressed were those of non-decent homes and empty properties. The Chief Executive, EDH explained that investment of £21 Million in 2012 should see an improvement in the number of properties brought up to the Decent Homes Standard and that there was a risk with the Government's Welfare Reform that even with a tenancy sustainability service in place, many young people may not be able to afford a home of their own.

In relation to young people, employment and training initiatives, it was explained that EDH had 8 trainees funded by the Future Jobs Fund (FJF), 2 extended contracts and 1 apprenticeship with a partner company. The Chief Executive, EDH added that the partner company dealing with EDH capital works had 13 apprenticeships and 13 trainee placements of 6 months and that the partner that dealt with repairs and maintenance had 6 apprentices and 4 trainees, based on 12 week placement 3 times a year.

Councillors noted that for the future, the issues facing EDH, and indeed in many cases all the housing providers, would be:

- Stock Option Appraisal
- HRA – moving to self-financing
- Government policy changes to welfare benefits, the public services white paper and localism.

The Chair thanked the three speakers and asked Members if they had any questions.

Councillor J Cordon asked where the £70 Million of funding would come from in reference to the backlog funding for investment in EDH properties. The Chief Executive, EDH explained that this was bid to Government and that it was £70 Million over 4 years to bring properties up to the Decent Homes Standard (DHS).

Members asked why there was a disparity in the achievement of the DHS by DCH, near completion by DVH but with EDH falling a way behind. Officers explained that there were differences between the DHS for each of the organisations and that also DHS figures would vary in relation to ongoing repairs and maintenance in order to keep up the DHS. Members were reminded that the SOA project would be able to give a clearer indication of not only where, but when; funding would need to be invested in the housing stock.

Mr JB Walker noted the low number of apprenticeship opportunities made by DCH in comparison to DVH and EDH. The Manager, DCH explained that Medium Term Financial Plan (MTFP) constraints had an effect, though the move to self-financing may allow for more scope in this area for DCH.

Members noted their appreciation of the help and advice being offered to people by the CAB for DVH, the help in establishing a Credit Union and the use of early intervention utilising trained Family Mediators to help tackle issues of ASB.

The Principal Overview and Scrutiny Officer noted that the Housing Stock Option Manager, Marie Roe would come back to the Committee in the new year and that the Customer Service and Intelligence Manager, Graham Tebbutt would be providing performance data relation to housing within his RED Performance Report from Quarter 2 onward.

**Resolved:**

- (i) That Members of the Economy and Enterprise Overview and Scrutiny Committee note the Annual Reports and summary of key performance information in respect of Durham City Homes, Dale and Valley Homes and East Durham Homes.
- (ii) That Members of the Economy and Enterprise Overview and Scrutiny Committee note the presentations given in respect of Durham City Homes, Dale and Valley Homes and East Durham Homes.