



*ENEHL ... a company with a passion for communities*

## **ENEHL Annual Report to Council**

This Report summarises the actions and achievements of East North East Homes Leeds (ENEHL) during 2008/09. Overall the company has made steady progress against many of its key aims and objectives and in restructuring following the merger of the three former ALMOs although the Audit Commission Housing Inspection result was disappointing in finding that we provided a fair service albeit with promising prospects for improvement.

### **Governance**

In 2007/08 ENEHL commissioned a review of governance arrangements within the organisation by the Council's Internal Audit Service. Their findings were reported to Board in May 2008 and overall their view was that there was a moderate control environment assurance level. The resulting Action Plan is reported to the ENEHL Audit Sub Committee and areas of weakness have been addressed. Our 2007/08 overall Annual Audit Report published in July 2008 reported moderate assurance on control environment and compliance. During 2008/09 we retained the Council's Internal Audit Service to deliver our Audit Plan and following five service area audits, no adverse Reports have been received. We expect their overall Annual Audit Report 2008/09 in July 2009. The Council's Internal Audit Service has been retained as ENEHL Auditors for 2009/10.

Our Risk Management Plan, Business Continuity Plan, Statement on Internal Control and Scheme of Delegation were all reviewed during the year.

External audit of the first merged company accounts for 2007/08 concluded satisfactorily and accounts were filed with Companies House on time. Our retained Auditors (BDO Stoy Hayward) reported an 'unqualified audit with no management recommendations' which they note as exceptional performance.

There were no changes to the ENEHL Board or Sub Committees during 2008/09 and work on development continues with the Board Development Agency (BDA). An appraisal of Board Director skills was undertaken by BDA during the year and a development plan is in place. There are currently four Board Sub Committees with agreed terms of reference and delegated powers:-

- Finance and Business Planning
- Performance and Improvement
- Human Resources
- Audit and Control

Four Area Panels with delegated powers and budgets are now well established and during the year development work has been undertaken with them by BDA. Panels have Business Plans and work closely with Board to deliver organisational objectives. They have developed strong links with local Tenants Groups and our 'Involvement Pool'.

The Audit Commission Housing Inspection in September 2008 resulted in a One Star/Fair service result. This has had no impact on Decent Homes funding as ENEHL has already drawn down all available additional resources. However an Improvement Plan based on the Inspector's recommendations is in place and a re-inspection is scheduled for mid October 2009.

### **Business Plan**

In 2008/09 ENEHL received a stand still Management Fee of £26.546m from the Council. The indicative 2008/09 revenue out-turn position for ENEHL currently stands at £39.127m (including £10m subsidy income to meet Decent Homes debt charges) which reflects a movement of an additional £269,000 on

the revised estimate position, mainly as a result of increased repair and maintenance costs. If this becomes the final out-turn position then it will result on a call on working balances which impacts on future years. A revised medium term Business Plan reflecting the 2009/10 Management Fee settlement and our Recovery Strategy has been agreed by Board and signed off by Environments and Neighbourhoods.

However it should be noted that whilst the estimated revenue position does incorporate our £750,000 in year contribution to FRS17 provision it does not reflect any adverse change to Actuarial valuation resulting from the current economic climate which will impact on both in year contribution and total fund deficit. At the end of 2008/09 ENEHL had £5.613m financial provision for our FRS17 fund deficit.

The ENEHL Capital Programme indicative out-turn for 2008/09 is £29.241m which is only £42,000 in excess of resources available. This position reflects effective management of reducing resources available as the current economic climate impacts on capital receipts available. The position assumes additional resources of £3.344m has been made available for work in the EASEL area which, if not forthcoming, would result in an over-programming of £3.386m. It also reflects increased spending requirements on demand led areas such as Adaptations where we managed increased demand for work costing £1.6m over the year.

### **Capital Programme and Decent Homes**

ENEHL achieved target on delivery of Decent Homes work during 2008/09 and is on line to deliver decency during 2010/11 in line with government targets. 85% of properties within the area now fully meet the Decent Homes Standard and some elemental work has been undertaken on the remaining 15%. Further whole house surveys are currently underway to ensure required work has been done or is planned as part of the remaining two years programme.

Current projections and stock condition information indicate that anticipated capital availability during 2009/10 and 2010/11 will be sufficient to meet demand for required expenditure such as Adaptations and to complete our remaining decency programme. This position is being continually updated as further survey data is produced.

During the year we targeted properties with low SAP ratings for insulation works as part of our Fuel Poverty Strategy.

### **Diversity**

ENEHL achieved Equality Standard Level 4 during 2008/09 and continues to work with the Council on the new Equality Standard. Equality Impact Assessment (EIA) training has been delivered to staff and our action plan to complete EIA's by May 2009 is currently on track.

ENEHL attained Domestic Violence Quality Mark Level 3 (highest achievement available) from Leeds Inter Agency Project and training has been delivered to front line staff. ENEHL approach to dealing with Hate Crime has been noted as good practice by HouseMark's consultancy section.

We are working with the Yorkshire Forward 'Fairplay' organisation and their Diversity Driver to improve our approach to diversity and we are working in partnership with the Independent Disability Council to help advise and improve our Equality Schemes. We benchmark employment diversity indicators with the West Yorkshire Employers Coalition.

We have comprehensive profiling information on our customers (eg 85% complete on ethnicity) which we use to shape and tailor services and which is presented to Area Panels, partners and residents when deciding priorities to ensure equality of benefit to our diverse communities.

In 2008/09 ENEHL were awarded the National Federation of ALMOs (NFA) national award for 'most effective partnership' for our Michelangelo's Mates scheme in partnership with Avalon, which trains people with learning difficulties so they can support older or disabled residents. ENEHL were also nominated for a Yorkshire Forward Award for our partnership with Canopy for joint work on innovative ways to bring properties back into use and engage with hard to reach groups.

## Performance

Generally ENEHL continues to perform well and has met target in many areas. There are some areas of weakness that will be addressed in 2009/10

Indicator	Description	Result 0809	Met/Unmet/ Exceeded Target	Level of Performance/Improvement Metropolitan ALMO quartiles
NI158	Proportion of Homes Non Decent	15%	Met	Final Out turn is top quartile and represents a 27% change equating to 1277 less properties Non Decent.
NR4	% of homes decent	85%	Met	Final Out turn is top quartile and means that 16,425 of the total stock of 19,324 properties now meet the Decent Homes Standard.
BV63	SAP rating calculated using the 2005 methodology			Information not yet available
BV66a	Proportion of Rent Collected	96.85%	Unmet	Final outturn is between lower & average quartile. Also the improvement achieved represents an additional £1.74 million collected in 2008/09 compared to 2007/08. 1 <sup>st</sup> In Leeds on this indicator.
BV66b	% of tenants with more than 7 weeks arrears	6.67%	Unmet	Final outturn is just below average quartile. Although the % case target has not been met, performance does reflect a reduction in the value of the amounts associated by £48,855 in 2008/09 compared to 2007/08 representing a 4.13% improvement. 1 <sup>st</sup> In Leeds on this indicator.
BV66c	% of local authority tenants in arrears with a NAPS served	20.47%	Exceeded Target	Final out turn is top quartile. 2nd In Leeds on this indicator.
BV66d	% of local authority tenants evicted as a result of rent arrears	0.3723%	Exceeded Target	Final out turn is between Median & Top Quartile. 2nd In Leeds on this indicator.
BV212	Average re-let times for dwellings	37.5 days	Met Target	Final out turn is median quartile and the 4.8 day reduction represents an 11.35% improvement.
HMA1	Rent Arrears as a %	3.10%	Unmet	No National Quartile information. Final out turn of 0.33% reduction represents a 9.62% improvement and a £74,518 reduction in arrears in 2009/09 compared to 2007/08
HMA3	Rent Loss from Voids as a %	1.26%	Unmet	Final Out Turn is Median to Upper quartile. 2nd In Leeds on this indicator.
HMA4	Average time taken to complete non urgent responsive repairs	10.79 days	Unmet	Final Out Turn is Top quartile.
HMA6	Proportion of properties currently void	1.25%	Met Target	No National quartile information. Final out turn represents a 3.1% improvement on properties void in 208/09 compared to 2007/08. 1 <sup>st</sup> In Leeds on this indicator.
HMA7	% urgent repairs completed within government timescales	98.66%	Unmet	Final out turn is above top quartile, represents a 0.27% Improvement and we are 2nd In Leeds on this indicator.
HMA8a	Former tenant debt as a % of rent roll	2.39%	Met Target	No National quartile information 0.17% change represents a 6.64% Improvement. 2 <sup>nd</sup> across Leeds on this indicator.
HMA8b	Average former tenant debt	£590.94	Unmet	No National quartile information we were 2 <sup>nd</sup> across Leeds on this indicator.
HMA13	% responsive repair appointments made and kept	98.84%	Exceeded Target	No National quartile information. Final out turn is above top quartile, represents a 0.53% Improvement and we are 1st in Leeds on this indicator.

**Green** target exceeded or met. **Amber** performance has improved but we have not met target. **Red** we are not performing well and not achieving target.

Of the sixteen performance indicators key to the Council's priorities ENEHL has met or exceeded target on eight (50%) of which five have achieved top quartile nationally and three achieved above Median quartile. Three are below target but have still delivered improvements in the year. On four we are not performing well and not achieving target and there is one where performance is not yet known. Overall ENEHL were best across Leeds on six of the indicators and second best on a further five of the indicators.

Process benchmarking was undertaken during the year and our Gas Servicing process was particularly positive and resulted in an inspection assessment of 'strengths significantly outweighing weaknesses' for this service area. The report also notes we have a 'customer focused approach' with 'results show that customer safety is prioritised' and 'exceptional performance'.

ENEHL participate in Housemark's 'unit cost' benchmarking exercises to identify and benchmark the cost of our 'core' Housing Management services and contextualise performance to ultimately inform our Value for Money strategy.

This information has identified that comparatively we are a high cost service and has helped identify potential areas for service reviews and process benchmarking and this is helping to inform future plans to improve both quality and costs of our services. Further opportunities are being explored to benchmark other service areas and costs across a number of service areas in 2009/10 which will ensure comparison with best in class continues enabling further process benchmarking and service improvements.

We introduced improved sickness absence procedures during 2008/09 to address our poor performance which resulted in an average of 18 days per employee lost to sickness the previous year. During 2008/09 we achieved a three day reduction to 15 days lost per employee and are continuing with our robust approach in order to achieve a similar reduction in 2009/10.

For 2009/10 we have developed a Balanced Scorecard approach to Performance Management which reflects the Council's approach and will allow us to focus on key business priorities.

### **Resident Satisfaction**

In August 2008 we completed a STATUS based Survey with responses from 1658 residents within the ENEHL area. This Survey showed that 78% of customers are now satisfied with the services we provide. This is an improvement of 4% since the previous Survey and 8% since our initial Survey when ENEHL was first established, resulting in us being in a median position compared with other Core City ALMOs. However satisfaction with opportunity for involvement and overall satisfaction of BME residents remains low and work is planned in 2009/10 to understand why and improve on our rating.

Our Inspection Report identified key weaknesses in Customer Care particularly in the time taken to answer telephone calls and to respond to complaints. We have initiated improvement programmes in both areas (working with the Council's Contact Centre for telephone calls).

In March 2009 we achieved a performance of 97% calls answered with 78% of answered within 20 seconds against a target of 94% calls answered with 80% in 20 seconds. We have now merged our former LNEH Contact Centre into the Council's Contact Centre and are working with them to maintain and improve on this level of performance.

Between October 2008 and January 2009 our average time to deal with a stage one complaint fell to 10 days, which is our internal target (Council (KPI) target of 15 days) but as a result of poor performance earlier in the year our annual average was 25 days. We have put measures in place to maintain our later year performance in 2009/10.