

PERFORMANCE MONITORING

Referral from Overview and Scrutiny Committee to Scrutiny Board (Neighbourhoods and Housing) Quarter 2 - 2006/07

CPB:	Thriving and Harmonious Communities
REF:	<ul style="list-style-type: none"> • BV 212 – Average time taken to re-let local authority housing • BV66a – Rent collected by the local authority as a proportion of rents owed on Housing Revenue Account (HRA) dwellings
Comments:	<ul style="list-style-type: none"> • BV 212 (formerly BV68) – Average time taken to re-let local authority housing <p>Lower threshold = 52 days; upper threshold = 26.7 days 2005/6 - Leeds took 63 days. This indicator was also qualified.</p> <p>This is a CPA threshold indicator and therefore performance in this area can impact on the council's overall CPA score.</p> <p>There has been a long standing issue relating to performance in this area and particular in relation to the quality of the data collected for this indicator, and as such performance in 2005/06 resulted in this indicator having a reserved judgement by the auditors, the outcome of mediation will be announced in January 07.</p> <p>2006/7 quarter 2 performance was 47.1 days to re-let a home. Overall performance in all ALMOs except Leeds South homes is showing good progress. The best performing ALMO (Leeds West homes) re-let homes in 23.8 days, whilst the Leeds South Homes re-let them in 94.9 days. If Leeds South homes performance is removed from the city total then the overall city performance is improved by 15 days, resulting in amid threshold position.</p> <p>Strategic Landlord has raised their concern to Leeds South homes regarding their performance. Leeds South homes made a decision in April to establish a centralised Void and Allocation team. One of the teams' first actions was to revise their void procedures. As a result, a decision was made to re-let many homes requiring extensive repairs rather than consider disposal or demolition. Therefore, some properties are reported as void for over 200 days, resulting in a significant impact upon the ALMOs re-let performance. Strategic Landlord is very closely monitoring Leeds south performance over the next quarter.</p>

In addition, Strategic Landlord has undertaken a mock external audit in November to ensure that ALMOs fulfil the audit process. The initial results show that there are some procedural issues to address. Strategic landlord will report these results to each ALMO senior management teams.

- **BV66a – Rent collected by the local authority as a proportion of rents owed on Housing Revenue Account (HRA) dwellings**

Lower threshold – 96.18; upper threshold – 98.2
2005/6 Leeds collected 96.15%

This is a CPA threshold indicator and therefore performance in this area can impact on the council's overall CPA score.

Quarter 2 performance (95.6%) of this indicator is below the lower CPA threshold. (96.8%). That said, at 2006/7 quarter 2 one ALMO, Leeds East homes performed above the lower threshold at 96.44%

Since 2002/3 the average performance has been 96.06%. The highest performance year was 2002/3 with 96.3%.

The Department monitors ALMO performance through:

- Quarterly performance meetings with each individual ALMO. At these meetings ALMOs are held accountable for their housing management performance
- The performance penalty / incentive scheme. This scheme is based on a sliding scale; the greater the number of CPA indicators in upper quartile the greater the incentive. ALMOs could potentially gain £70,000 in their Management Fee dependent upon their size. Conversely, a poor performing ALMO could lose this amount. This financial incentive scheme and greater profile by the Department has ensured that greater prominence of rent collection is given by the ALMOs.

Despite this, the Department have not seen significant performance improvements. Therefore, in October 2006 the Department has set up a Focus Group, involving all ALMOs and key teams in the Department – Finance, IT and Strategic Landlord. This group will undertake an intensive piece of work to produce the following by April 07:

- Strategic Landlord will evaluate the strengths and weaknesses of each ALMO rent collection process, and promote good practice.
- Performance fluctuates during the year due to payment cycles, particularly direct debits. Greater clarity of the reasons for performance fluctuations during the year due to payment cycles will be undertaken to improve year end forecasting.
- Greater analysis of methods of payment will be undertaken, to

	<p>evaluate impact upon performance.</p> <ul style="list-style-type: none">• Learn lessons from other high performing authorities, such as Barnsley and Kirklees.• Explore incentives for tenants to pay rent• Further develop strategic links with Leeds Benefit Service so that changes to housing benefit can be analysed to evaluate the impact on rent collection. In addition, to gain greater access to the Benefit computer systems in ALMOs and assess the impact of housing benefit recovery on rent collection.
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Date: **December 13th 2006**