

## MANCHESTER CITY COUNCIL

**REPORT TO**            **COMMUNITY REGENERATION AND OVERVIEW SCRUTINY COMMITTEE**

**DATE**                **7<sup>TH</sup> FEBRUARY 2006**

**SUBJECT**            **PROPOSED MONITORING FRAMEWORK FOR NORTHWARDS HOUSING**

**REPORT OF**         **THE DIRECTOR OF MANCHESTER HOUSING**

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### **PURPOSE OF REPORT**

To propose an outline framework for monitoring arrangements between Manchester City Council and Northwards Housing.

### **RECOMMENDATIONS**

It is recommended that Members:

- (i) Note and comment on the draft monitoring framework outlined pending final discussions with Northwards Housing and invite a further report of the completed framework to a later meeting of the Committee.

### **BACKGROUND DOCUMENTS**

Appendix A – Outline of monthly monitoring template and information return  
Appendix B – BVPIs and Local Indicators  
Appendix C – Draft Quarterly monitoring template  
Appendix D – Draft Outline monitoring framework

<b>CONTACT OFFICERS</b>	<b>TELEPHONE</b>	<b>EMAIL ADDRESS</b>
S Rumbelow	234 4811	<a href="mailto:s.rumbelow@manchester.gov.uk">s.rumbelow@manchester.gov.uk</a>

## **1. INTRODUCTION**

- 1.1 The Management Agreement signed on 12 December 2005 between the City Council and Northwards Housing for the management of City Council homes in the north of the City lays down broad principles for how Northwards Housing will perform its responsibilities.
- 1.2 The Service Delivery Plan will lay down how Northwards Housing will fulfil the commitments described in the Management Agreement. This document is due to be finalised within 3 months of the signing of the Management Agreement. Alongside the Service Delivery Plan the City Council will set out the framework by which the performance of Northwards Housing will be monitored.

## **2 FRAMEWORK FOR MONITORING ARRANGEMENTS**

- 2.1 The monitoring framework will establish robust performance management arrangements to ensure that Northwards Housing fulfils their responsibilities to deliver excellent services to the City Council's tenants.
- 2.2 The details of the monitoring framework are being discussed with Northwards Housing to ensure that we come to satisfactory arrangements for the transfer and presentation of performance information. The broad principles of the framework are outlined below.
- 2.3 It is anticipated that, in the initial phases of the Management Period, high level monitoring will be carried out, but that if performance continually improves a lighter touch will suffice in later years.
- 2.4 As the stock managed by Northwards Housing remains in the ownership of the City Council and Northwards Housing's performance directly affects the assessment of Manchester City Council through Comprehensive Performance Assessment. The targets for the delivery of Best Value Performance indicators will be the same as for the rest of retained Housing Services.
- 2.5 It should be noted that whereas Northwards Housing will be directly responsible for day-to-day management of both the estate management and programme maintenance functions, the capital programme will continue to be managed through Housing Services Capital Programme Team. This will ensure that the Capital Programme priorities run in tandem with those determined by the Strategic Regeneration Framework for North Manchester and Housing Market Renewal agenda.

## **3. REGULAR PERFORMANCE MONITORING MEETINGS**

- 3.1 Regular meetings (described in more detail in Appendix D) will address Data Returns, Performance, Action Planning and Service Improvement. Northwards Housing will be expected to present prescribed performance data to these meetings.

## **3.2 MONTHLY PERFORMANCE MEETINGS**

3.3 Northwards Housing Directors and senior Housing Services Managers will hold monthly meetings to focus on the direct performance of Northwards Housing with regard to:

- Rents Indicators
- Repairs Indicators
- Void Indicators
- Rehousing Indicators
- Response to neighbour nuisance complaints

3.4 A range of additional information will be provided monthly to enable the City Council as landlord, to monitor key areas such as anti social behaviour, use and termination of Introductory tenancies and exclusions from the Choice Based Lettings process. While information relating to services provided by the Council through Service Level Agreements will be provided by those services, it should be noted that if at any time in the future the services are procured elsewhere, Northwards Housing would be responsible for providing the information.

## **3.5 STRATEGIC REVIEWS**

3.6 The Executive Member for Housing, Director of Housing, Chair of Northwards Housing and Chief Executive of Northwards Housing will hold strategic reviews with regard to:

- Reports on all items on the monitoring schedule of Best Value and Local Performance Indicators, to identify performance that has met the required target, exceeded expectations or is below target.
- Councillor Enquiries and Customer Complaints
- Progress on Capital Programming and Decent Homes
- Summaries of actions in support of the aims and objectives of Manchester City Council
- Financial reports

3.7 Quarterly meetings will address the qualitative monitoring of Northwards Housing's contribution to the core aims and objectives of the City Council encapsulated within Manchester City Council's Community Strategy, Local Strategic Partnership, Corporate Housing Strategy, Homelessness Strategy, Neighbourhood Renewal Strategy and the Strategic Regeneration Framework for North Manchester.

3.8 There will be a full review of annual performance as laid out in the Management Agreement (sections 7 and 8).

#### **4 REPORTS TO THE COMMUNITY REGENERATION OVERVIEW and SCRUTINY COMMITTEE**

- 4.1 The Director of Housing will present six-monthly reports on the performance of Northwards Housing against performance indicators and contribution to corporate objectives.

#### **5 COUNCILLOR ENQUIRIES**

- 5.1 Northwards Housing will adopt the City Council procedure for investigating and responding to Councillor Enquiries to provide a fully accountable service. Any enquiries received by the City Council's Director of Housing with regards to delegated functions will be forwarded to Northwards Housing for response.

#### **6 FINANCIAL MONITORING OF NORTHWARDS HOUSING**

- 6.1 Schedule Six of the Management Agreement sets out the key financial arrangements between the Council and Northwards Housing. Further operational details will also be contained in the Delivery Plan, with this Plan being updated periodically in accordance with the procedure set out in the main body of the Management Agreement.
- 6.2 Once finalised, the Financial working protocol will contain the specific monitoring arrangements that will be adhered to by both parties. However, in summary the intention is to have regularly monitoring meetings to ensure that the two main financial issues between the two organisations, being the Management Fee and the Housing Investment Programme, are effectively managed.

#### **7. NEXT STEPS**

- 7.1 The successful conclusion of discussions with Northwards Housing on the monitoring framework will result in the City Councils agreement to Northwards Delivery Plan.
- 7.2 The agreed framework and associated Delivery Plan will be brought to Members when concluded.

## **Northwards Housing Monitoring Framework**

### **Introductory Plan and rationale for monitoring arrangements between Manchester City Council and Northwards Housing**

#### **1 Purpose of the Monitoring Framework**

The purpose of the monitoring framework is to ensure that

- The City Council and Northwards Housing can together fulfil their responsibilities to ensure that the City Council's assets are effectively managed
- The City Council and Northwards Housing can together fulfil their responsibilities to ensure that the City Council's tenants receive excellent services
- The City Council is able to meet its statutory obligations, with contributions from Northwards Housing where appropriate in respect of social housing
- The City Council and Northwards Housing can together contribute to the aims of the Local Strategic Partnership and the Community Strategy and development of Local Area Agreements
- The City Council is able to achieve its Corporate Objectives in respect of social housing, with contributions from Northwards Housing where appropriate
- The objectives of the City Council's Corporate Housing Strategy, Homelessness Strategy and BME Housing Strategy can be better achieved
- Both the City Council and Northwards Housing are in the best position to meet Audit Commission requirements and maintain a three star status
- There is clarity over what performance is expected, what targets have been set, and over the timescales for reporting
- The wishes of the city's tenants and residents, as formulated into its policies, are being adhered to
- The City Council's commitments to its tenants and residents are fulfilled
- The City Council and Northwards Housing are able to achieve value for money service provision
- Service delivery to tenants will be continuously improved through working together in partnership

#### **2 Contents of the framework**

The monitoring framework under which Manchester City Council monitors the operation of Northwards Housing includes:

- Data Northwards Housing will provide to the City Council for reporting on Performance Indicators – Best Value Performance Indicators, Local Indicators, and any future Local Public Sector Agreement

targets which may require input from Northwards Housing. The contents of the schedule of indicators will be updated as indicators are amended or introduced in the future. When data is not available via shared systems, there should be a year-end audited report.

- Data Northwards Housing will provide on a range of issues in addition to those required for existing Performance Indicators
- Information on how Northwards Housing contributes to quality of service to meet wider City Council requirements
- Timescales for reporting, both initially, and what is anticipated for the longer term
- Arrangements for meetings and reviews of performance

### **3 General approach to monitoring**

- 3.1 It is the intention of the City Council to work in partnership with Northwards Housing to achieve our joint aims, and to use the monitoring framework to assist both parties to do so.
- 3.2 It is recognised that it is for the City Council to specify the outputs that are required from Northwards Housing, and to set up the framework under which they will be able to monitor the achievement of those outputs. Northwards Housing will be inspected on the quality and efficacy of the delivery of the services they have contracted to deliver.
- 3.3 It is anticipated that initially, during the 'bedding in' process, there will be closer monitoring of some elements of the Northwards Housing services. This will ensure that there is a continuity of services and consistency of decision-making with the management of tenancies which remain in direct management of the City Council.
- 3.4 In the longer term as both parties settle into new roles, monitoring will be reduced and replaced by 'light touch' monitoring, which maintains effective scrutiny whilst challenging performance.
- 3.5 Where data is available from the computer system and, provided from the systems using the expertise of the Housing Information Unit, the responsibility for interpreting and validating the information lies with Northwards Housing.
- 3.6 It is the intention to work jointly with Northwards Housing to extend monitoring information as soon as reasonably practicable through the new IT system which is expected to be introduced towards the end of 2006.

### **4 Arrangements for reviewing performance**

#### **4.1 Monthly Performance Review Meeting**

## DRAFT

- 4.1.i This should be attended by members of the Executive Management Team of Northwards Housing and Director of Housing and his representative.
- 4.1.ii The City Council will arrange the meetings and be responsible for record keeping.
- 4.1.iii The monthly meeting will cover
- Review of performance against a set of monthly performance indicators.
  - Key financial or strategic issues
  - Brief written summary by Northwards Housing of any key events occurring during the month.
- 4.1.iv At the monthly performance review meetings, Northwards Housing will present Reports on performance against a key set of indicators in the form of a template. The template will indicate whether performance has met the target, exceeded the target, or is below the target figure and whether performance is improving or falling.
- 4.1.v Monthly monitoring will be as shown on the attached schedule (Appendix A) :
- Repairs Indicators
  - Void Indicators
  - Rehousing Indicators
  - Response to neighbour nuisance complaints

A range of additional information, as shown on the attached schedules will be provided monthly to enable the City Council as landlord, to monitor key areas such as anti social behaviour, use of Introductory tenancies and exclusions from the Choice Based Lettings process. While information relates to services provided through SLAs with the City Council it is likely that the information will be provided by those services, but it should be noted that if at any time in the future the services are procured elsewhere, Northwards Housing would be responsible for providing the information.

- 4.1.vi Should any item on the monthly performance return be shown as not meeting the target, Northwards Housing will provide an Action Plan for redressing this to the meeting.
- 4.1.vii Should any item on the monthly performance return be shown as not meeting the target for 3 consecutive months, and the Action Plan, having had time to take effect, is not succeeding in raising performance the Responsible Officer for Manchester City Council will
- Consider whether the performance issue should be escalated to the Quarterly Strategic meeting.

- Consider whether a Performance Improvement Surgery should be convened to consider the performance issues in depth
- Consider a review of the targets to see if they are reasonable in all the circumstances. This review will be undertaken by the Responsible Officer and the relevant DMT member.
- Consider whether the situation is serious enough to warrant weekly performance review meetings until the trend is corrected.
- Notify Northwards Housing in writing and undertake arrangements for weekly meetings if the situation warrants this.

## **4.2 Strategic Review Meeting**

4.2.i This review will initially take place monthly subject to review after 6 months and should be attended by:

Executive Member for Housing  
Director of Housing  
Chair of the Board of Northwards Housing  
Finance Assistant Director  
Officer within MCC responsible for performance monitoring  
Chief Executive and Directors of Northwards Housing

4.2.ii The meeting should be chaired by the Executive Member of Housing

4.2.iii The responsibility for setting up meetings will be within Manchester City Council, who will also be responsible for record keeping at this meeting.

4.2.iv At this meeting Northwards Housing will present

- Reports on all items on the monitoring schedule of Best Value and Local Performance Indicators, to identify performance that has met the required target, exceeded expectations or is below target.
- Councillor Enquiries and Customer Complaints
- Progress on Capital Programming
- Summaries of actions as indicated on the attached schedule (Appendix C)
- Financial reports

4.2.v The meeting will

- Monitor any items which have been escalated from the Monthly Performance Review Meetings
- Provide an opportunity for general discussion on performance, issues arising and concerns from both sides.



### **4.3 Community Regeneration Overview and Scrutiny**

The Director of Housing will present a 6-monthly Report to the Community Regeneration Overview and Scrutiny Committee, summarising the performance of Northwards Housing, highlighting any concerns and where any special monitoring measures have been put in place.

### **4.4 Annual Performance**

4.4.i The Responsible Officer within the City Council will arrange the annual review meeting to review performance against the Service Delivery Plan.

4.4.ii In accordance with section 8.2 of the Management Agreement, Northwards Housing will provide an Annual Performance Plan which will include an analysis of performance

4.4.iii The review will consider:

- Any amendments required to the list of Best Value Performance Indicators or Local Indicators required by government or by the City Council
- Any amendments required as a result of the introduction of any new LPSA2 targets
- Any amendments required to performance measures and tolerances which would improve monitoring by the setting of more realistic targets
- The frequency of monthly and quarterly monitoring meetings, which will amended to reflect the standard of performance
- The appropriate level of monitoring in view of Inspection Reports and performance, with a view to reducing or increasing the level of monitoring as appropriate

4.4.iv Annual Report

The Annual Report will provide performance for the year against monthly and quarterly PIs with comment on performance.

To accompany the Annual Report Northwards Housing will provide more detailed information on the manner in which it has contributed to or delivered services or strategies within the following areas:

Best Value Review review timetable and progress  
Governance Report  
Finance Report including Business Plan  
Service Improvement Plan  
HR issues

Investment Plan and achievement of Decent Homes  
Tenant involvement and participation  
Tenant satisfaction  
Equality and Diversity  
Ethnic Monitoring Report as defined in the Statutory Duties Order 2001  
Quality and Customer Service  
Gas Servicing  
Services provided via SLAs  
Community contribution  
Crime and Disorder  
Actions to the Environment  
Review of contribution to City Council strategies over the previous year  
and plans to support them for the future  
Asset management  
Risk management

4.4.v The Annual Report will be supported by an Annual Monitoring template as attached.

#### **4.5 Financial monitoring**

Finance issues will be discussed at the regular quarterly meetings, to ensure that performance on finance and service delivery are considered in tandem.

If the City Council Finance Officers have concerns about financial matters they will attend the Monthly Performance Meetings.

There will be additional meetings to discuss finance-specific issues to address the two main financial issues between the two organisations:

- **Housing Investment Programme:** Northwards Housing will provide monthly progress reports, identifying progress to date at a summary level. In addition, Northwards Housing will provide detailed financial monitoring reports on a bi-monthly basis that will feed into the Council's formal capital monitoring cycle compiled by Treasurer's. Review meetings will also be held bi-monthly, attended by Northwards Housing Director of Business Services and the City Treasurer (or delegated representatives), to discuss the content of the reports.
- **Management Fee:** In the early years, whilst the Housing Revenue Account is supporting the Northwards Housing business plan, regular review meetings will be held to ensure that the level of the management fee, and any variations to it, are agreed by both parties. It is proposed that these meetings are held on a quarterly basis and attended by NH Director of Business Services and the Director of Housing. More frequent meetings can be called if appropriate.

## **6 Failure to reach targets**

6.1 Failure to reach targets will be addressed through:

- Action Plans to show proposals to remedy the situation
- 'Performance Surgeries' on specific issues
- Upgrade to regular weekly monitoring on key items if the City Council feel this is warranted.

6.2 Action Plans outlining remedial actions will be time specific, target specific, and may relate to the whole of the Northwards area or relate to specific locations or concerns.

6.3 Under the conditions of the Management Agreement the City Council are entitled to

- carry out a review of the services, including a Best Value Review, where there is failure of performance.
- carry out services itself, or employ other people to provide the services, if Northwards is unable or fails to provide them.

6.4 Of course the final sanction for failures in performance would be breach and termination of the Management Agreement but we would wish to work with Northwards to avoid this.