



Doncaster Council

Report

Date: 3rd July 2018

To the Chair and Members of CABINET

St Leger Homes Management Agreement Review

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Cllr Glyn Jones	All	Yes

EXECUTIVE SUMMARY

1. During March 2014 Cabinet considered a report on the future of its Housing functions and agreed to extend the management agreement between Doncaster Council and St Leger Homes. The agreement was on the proviso of a rolling 5 year basis subject to a performance and value for money assessment.
2. This report highlights the findings from an independent performance assessment (House Mark) which demonstrates that St Leger Homes is, in general, a low cost, mid to high performing organisation when benchmarked with its peers (28 organisations) and housing providers nationally (255 organisations). The report highlights areas of good performance whilst also acknowledging areas for improvement.
3. The purpose of this report is therefore to give consideration and agreement to the renewal of the Council Housing Service to St Leger Homes for the period 1st April 2019 to 31st March 2024.

EXEMPT REPORT

4. The contents of this report are not exempt from publication

RECOMMENDATIONS

5. Members of Cabinet consider the content of this report; given the assessment demonstrates that St Leger Homes are mainly operating at a low cost and mid to high performing Housing ALMO, it is recommended that:
 - Doncaster Council determines to renew the 5 year contract with St Leger Homes for the period from 1st April 2019 to 31 March 2024 with a proviso of a break clause built in at year 3.
 - St Leger Homes presents annually to Doncaster Council a review of its performance including a Value for Money assessment.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. The provision of Housing related functions are integral to the Council's ability to

support its residents; the report provides an independent assessment of how satisfied our residents are with the current Management Agreement undertaken by St Leger Homes, and presents a recommendation that supports our residents housing requirements for the next 5 years.

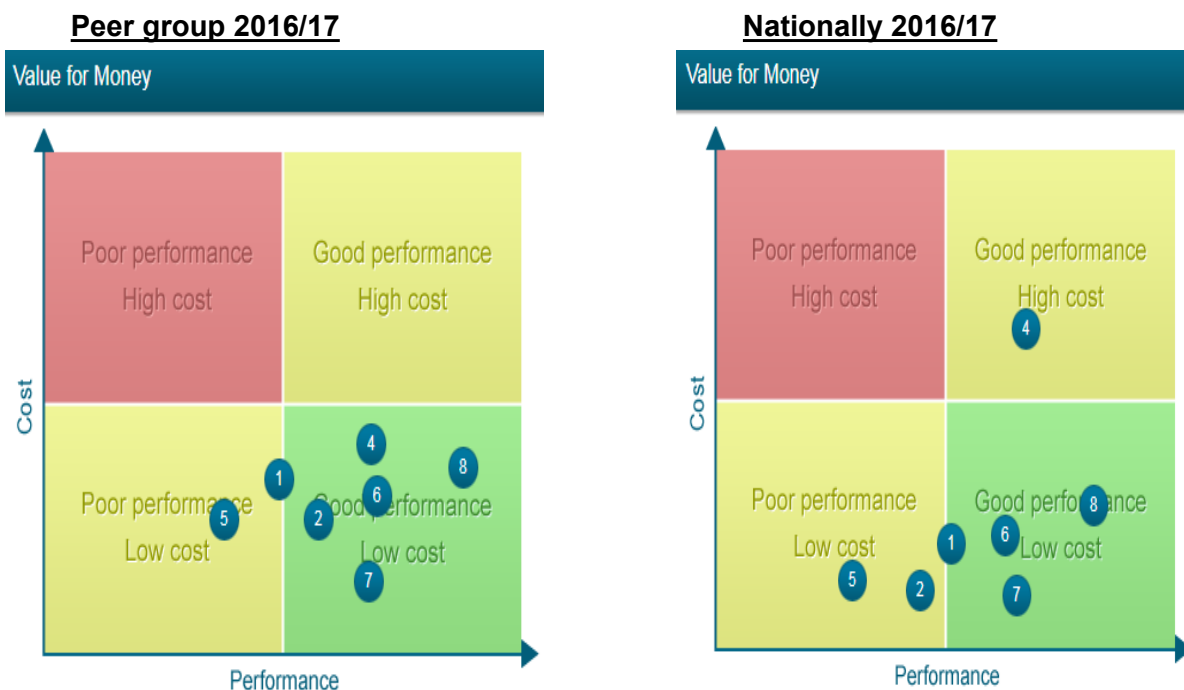
- To place this in context St Leger place its tenants and customers at the heart of everything they do, with the [2017 Customer Satisfaction Survey](#) showing 91% overall satisfaction with its service. This is in the top quartile when benchmarked against other housing organisations.

BACKGROUND

- St Leger Homes is an Arm's Length Management Organisation, or 'ALMO', created by Doncaster Council in 2005. With the support of Central and Local Government, St Leger Homes provides housing related services across Doncaster for both the social and private sectors.
- Since achieving a [3 star rating](#) from the Audit Commission in 2010 St. Leger Homes has gone from strength to strength being recognised with a range of awards and accreditations from independent bodies. These have included receiving the British Safety Council's highest accolade for health and safety management, the Sword of Honour, each year from 2011 to 2015 as well as being awarded an 'Excellent' rating by the Social Housing Equality Framework and the Customer Service Excellence (CSE) accreditation each year from 2011 to 2017. St Leger Homes produced its first set of social accounts in 2015, followed up with social accounts in 2016 and 2017, demonstrating the positive impact they are having on our resident's lives. In addition they have also won some prestigious awards, including the Business in the Community's (BITC), Responsible Business Award for Championing an Ageing Workforce, and the 'Making a Difference in Communities' at the 2016 National Federation of ALMO's (NFA) conference for their inspirational World of Work (WOW) academy.

Independent Assessment:

- In relation to the performance of Housing companies one of the main methods of benchmarking is through its membership of Housemark. At the highest level, a value for money dashboard is produced from a selection of performance indicators and shows how an organisation compares with its' peer group, geographically or nationally. The dashboard is intended to give a snapshot of how St Leger are performing against a set of national benchmarks, for ease the chart below highlights key elements from this report:



Key

1) *Responsive repairs and void works*; 2) *Rent arrears and collection*; 3) *Anti-Social Behaviour*; 4) *Major Works*; 5) *Lettings*; 6) *Tenancy Management*; 7) *Resident Involvement*; 8) *Estate services*.

11. In summary, for all benchmarking information submitted, it shows that St Leger is in general a low cost, mid to high performing organisation. The assessment of St Leger performance against its peer group highlights areas that are providing a quality service at a low cost, these include: major works, tenancy management, resident involvement, rent arrears and collection and estate services. Areas that are delivered at a low cost however the performance requires improvement include: responsive repairs and void works and lettings.

Understanding the service costs and performance and how they compare

12. St Leger Homes is an income led organisation, receiving management fees to manage and maintain around 20,200 homes including leaseholders, 100 shops, 2,800 garages and sites and some HRA land, and a number of other housing services. Income has been largely static for the past few years as a result of the challenging economic climate and resulting cost reduction strategies of both DMBC and St Leger, this is not uncommon amongst most ALMO's nationally.

13. In addition to the information presented by House Mark, St Leger Homes maintains a suite of Key Performance Indicators across all service areas (Detailed below). Of critical importance is the validation of performance by a number of employee and customer surveys, the main survey being an annual Survey of Tenants and Residents (STAR) and, for 2016/17, this was again consistent and positive overall, with a total of 91% achieving top quartile for performance.

14. For the purpose of this report we have included the newly agreed targets for 2018/19 (Annex A) which present a level and expectation of ambition that St Leger Homes deem challenging but are confident can be achieved.

Indicator Description	14/15 Outturn	15/16 Outturn	16/17 Outturn	17/18 Outturn	Target Achieved
% of current rent arrears against annual debit	2.67%	2.56%	2.47%	2.62%	Not Met
Void rent loss % of rent loss	1.19%	1.37%	1.00%	0.78%	Met
Repairs - Right first time	97.33%	97.85%	98.19%	99.24%	Met
Repairs - % of scheduled repairs promises kept	95.86%	98.85%	99.45%	99.00%	Not met
Gas servicing - % of properties with certificate	100.00%	100.00%	100.00%	100.00%	Met
Overall complaints - Against service contacts	20.10%	20.00%	24.00%	20.00%	Met
Days lost through sickness per FTE	9.58	8.40	8.26	8.04	Not Met
No. of households in temporary accommodation	13	9	25	<i>No longer captured</i>	Met
No. of households independent living	38	39	40	49	Met
Purchase Invoices – % paid within 30 days	n/a	92.80%	97.21%	96.25%	Met
Percentage of Local Expenditure				58.27%	Not Met

Added Value

15. National and Regional recognition – During May 2018 St Leger Homes were highly successful in obtaining the following Northern Housing awards:
- Best Partnering Scheme of the Year – for the work done with Doncaster Children's Services Trust and Doncaster Council to provide care leavers accommodation in Cantley.
 - Best Initiative For Tackling Homelessness – focussing on the Complex Lives work alongside colleagues at Doncaster Council.
 - Best Resident Involvement Initiative – looking at a variety of initiatives and services provided by placing customers' needs first, including the Tenants and Residents Involvement Panel (TRIP); Customer Service Charter; STAR tenant satisfaction survey; our diversity work; as well as our innovative Tenants' Choice Awards

Doncaster Growing Together Programme

16. St Leger Homes are a key member of Team Doncaster and are at the heart of driving the delivery of DGT reforms within Doncaster over the next 4 years. The benefits to residents are highly significant, including better housing options, and tackling difficult housing related agendas, what is clear is that St Leger are instrumental in delivering these reforms and have taken up the challenge by already driving the target to achieve local procurement spend. However St Leger importance at a strategic level does not stop there, for example:
17. Supporting the successful Homes for all Programme Board – The Chief Executive of St Leger Homes is chairing the Homes for All Programme Board which is part of the living section of DGT. The Board are trying to adopt an evidence based strategic approach to housing development by identifying the housing need for general and specialist housing on an area by area basis and identifying the options to meet those needs and aspirations. In this role, they have also agreed to support adult social care in the commissioning of homeless support services.
18. Safeguarding - St Leger Homes play a key part in developing policies and procedures that help keep our communities safer. Most recently, SLHD staff was heavily involved in developing the Hoarding & Self Harm Policy which was adopted by the Adult Safeguarding Board.
19. Complex Lives – St Leger Homes initiated some of the early discussions that led to the creation of the complex lives team, introducing Doncaster to the Making Every Adult Matter (MEAM) approach, which ultimately is the concept that the Complex Lives team have adopted. They suggested that the Flexible Homeless Support Grant could be used to front fund the project, helped develop the job descriptions & person specifications and are involved as a key partner in the Complex Lives Alliance, chairing the Strategic Board.
20. World of Work Programme - The World of Work Academy (WOW) programme incorporates a number of different opportunities intended to help people into work by helping them to build skills and gain work experience. When WOW was established in 2014, its initial core focus was to support St Leger Homes' tenants into work through:
- a) **'Ready for Work' accredited learning programme.** This is typically a 2 week Level 2 accredited college course, which provides a route into 'Support and Learn' paid work experience and unpaid work experience placements.
 - b) **'Support and learn' paid work experience** is typically a 6 month training contract that build skills whilst earning a wage. This is the element most people within St Leger Homes think about when referring to WOW and is only open to St Leger Homes' tenants.

21. Over the last year a number of our 'work experience' offers have been brought together under the WOW banner, namely:
- c) **Voluntary, unpaid work experience placements** of up to 16 hours per week for up to 8 weeks. These provide an opportunity for adults to try different types of work and to build skills.
 - d) **School-age voluntary work experience** placements tend to be two-week opportunities and are open to local school pupils.
 - e) **Apprenticeships** lasting one or more years, which provide paid work-based training to build skills whilst also completing an NVQ at Level 2 or above.
 - f) **'Opening doors' support** is offered to anyone who participates in any WOW scheme. It provides employability skills training (CV, applications, interviews etc.), and information about job and training opportunities.
 - g) Three paid **undergraduate student placements** are offered each year, one in each directorate.
22. Since 2014:
- 165 people have 'graduated' from WOW by completing the 'Ready for Work' course, of which:
 - 92 people have found employment with St Leger Homes support.
 - 27 people are currently participating in WOW.
 - 336 qualifications have been achieved.
 - 12040 learning hours have been completed.
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23. When considering the future of WOW, St Leger Homes are looking to widen its scope to support residents into employment and have been successful in a bid for European Social Fund (ESF) which, when received by DWP will bring an additional £127k to support the widening of the programme.
24. Homelessness - St Leger Homes undertake the statutory homeless responsibilities on behalf of the Council. Whilst formally being responsible for only the core statutory functions, they have taken a whole system view of this role, leading on the creation of the Homeless & Resettlement Pathways, appointing an Access Officer who works with Adult Social Care commissioned services to identify vacancies and manage the pathway for individuals through the hostel and supported accommodation units. They have also taken the lead on coordinating accommodation for the Severe Weather Emergency Protocol and during the recent prolonged cold spell in February and March 2018, SLHD made available over 40 units of general needs housing as temporary emergency accommodation, including 15 'crash pads' to enable short term additional capacity. SLHD have also been working with Riverside and Target Housing to develop up to 20 units of leased supported accommodation dispersed throughout the Borough.
25. Fire Safety- St Leger Homes, in conjunction with Doncaster Council and its partners, has continued to prioritise and review fire safety in its high rise buildings, to maximise the safety of its residents following the tragic events at Grenfell Tower.
26. This proactive approach to ensuring the installation of sprinkler systems in all high rise flats ensures the maximum safety and minimum risk of any fire spreading. St Leger Homes and Doncaster Council continue to ensure the safety and security of our residents is our main priority.
27. Future Plans – During 2017 and beyond there has been considerable number of internal reforms that aim to provide a better service to our residents; including restructuring of the workforce to ensure more resources are deployed at the front line; investment in technologies to provide a faster responsive service, a significant investment into the capital housing stock to ensure a reduction in repairs; a

transformation programme is underway and central to this is a new Integrated Housing Management Solution (IHMS) which will change the way the whole company works. Processing mapping in all service areas is underway and over the next two years St Leger will move to one integrated housing solution which will speed up response times to customers and free up capacity to deliver more and better services.

28. However it is also important to note that the implementation of Universal Credit and the continued roll out of Welfare Reform has seen many tenants suffer financial hardship. SLHD has re-structured its Housing Management section to create a Tenancy Sustainment Team to work alongside the Income Management Team to support tenants and help them sustain their homes.
29. The first phase has been funded through efficiency savings via the reduction in senior and back office staff. St Leger Homes have planned further efficiency savings to continue to invest in front line services.
30. The Company has an increasingly ageing tenancy profile and is working with health providers in reviewing its existing services to see how best it can meet the needs of its older residents. At the same time, St Leger Homes is keen to work with younger customers and has established a Young Persons Tenants & Residents Association and has adopted a strong social media profile to engage with, and attract, younger customers.
31. During 2018, the Company will be consulting on a new 5 year Corporate Plan with the intention of aligning itself to the Doncaster Growing Together Strategic Priorities and will continue to develop its links with other area based services. Key to this will be a level of consultation that includes all stakeholders, ensuring the Plan represents the interests of our residents and our corporate priorities.

OPTIONS CONSIDERED

32. In consideration of the options there are a plethora available that Doncaster Council could consider, for example the local authority could:
 - Maintain the current arrangement and determine to agree to a further 5 year extension for St Leger Homes for the period 1st April 2019 to 31 March 2024 (With the proviso of a 3 year break clause).
 - Determine to bring all or part of the housing related functions that St Leger delivers back into Doncaster Council.
 - Commission another provider to deliver the housing related functions.

REASONS FOR RECOMMENDED OPTION

33. St Leger Homes has been in operation within Doncaster since 2005; independently assessed, the majority of the services provided are at low cost and high performing; St Leger Homes recognise their challenges and have adjusted their structure, systems and operating arrangements to ensure the best level of service is offered to our residents; it is on this basis that given the level of service provided currently, coupled with performance of Doncaster specific performance metrics the contract should be extended beyond March 2019 for a further five years (With the proviso of a 3 year break clause).

IMPACT ON THE COUNCIL'S KEY OUTCOMES

34. The following demonstrates how St Leger impact on the Councils Corporate objectives:

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	<p>St Leger Homes are instrumental in shaping the reforms contained within the Doncaster Growing Together Programme; at the heart of these St Leger are leading on Housing related reforms, to supporting residents into employment through the world of work contract. St leger provides vital services to our residents including leading and supporting on the welfare reforms.</p>
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	<p>St Leger Homes provide a vital service to our residents and will continue to maintain and enhance this standard, for example through its investment of capital housing stock; providing energy efficiencies to decent homes thus ensuring that the cost of living for our residents is kept to a minimum.</p>
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	<p>St Leger World of World programme is one example of how the organisation is diversifying into different markets to support residents in their skills development; this programme is becoming highly successful and has attracted further resources from DWP.</p>
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	<p>The very auspice and nature of St Leger Homes is to ensure our residents receive the appropriate level of care in their housing needs; this is evidence through a 91% customer satisfaction rate which is in the highest quartile within the UK, our priorities are to continue this level of support and care.</p>
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions 	<p>Within the report we have highlighted how St Leger have made organisational changes to ensure a flexible and efficient</p>

	<ul style="list-style-type: none"> • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>workforce; in addition to our external independent survey that benchmarks our services at low cost – medium to high performing. The report also highlights the significant value St Leger bring to the partnership agenda, delivering and supporting a number of partnership priorities, including DGT Programme reforms.</p>
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RISKS AND ASSUMPTIONS

35. Key to determining this decision is the timeframe; for example the decision to renew St Leger Homes contract needs to be made expediently ie prior to September 2018 if we are to provide reassurance to a significant number of St Leger Homes staff. Failure to do so could result in St Leger Homes staff exploring alternative employment opportunities to the detriment of our residents.

LEGAL IMPLICATIONS (N Dobson 21st May 2018)

36. Section 1 of the Localism Act 2011, allows the Council to do anything which a person may generally do.

37. The Services currently carried out by St Leger are caught by the EU Procurement Regulations and would normally be awarded following a full EU Procurement exercise. However St Leger Homes is a “Teckal” company for the purposes of the Public Contracts Regulations 2015 (the “Regulations”) and therefore the Council is permitted to award work and services to St Leger Homes without the need to conduct procurement in accordance with the Regulations.

38. A proposal to award the services to any other provider would however require a procurement exercise (with the exception of an in-house model). If services were transferred elsewhere, TUPE would apply and a significant project team would be required to manage the process.

39. Legal should be consulted to prepare the new contractual documentation.

FINANCIAL IMPLICATIONS (MS 9th May 2018)

40. SLHD aims to set a balanced budget each year where income equals expenditure, the income and expenditure budgets for 2018/19 are £42m.

SLHD receives four main sources of income:

- Management fee from the Housing Revenue Account (HRA) - £29m
- Management fee from the General Fund (GF) - £1m
- Income from the Capital programme - £11m
- Other Income - £1m

41. By renewing the 5-year contract the Council is committing to paying St Leger for its services. The costs of the contract are reviewed each year as part of the Council’s budget setting process.

HUMAN RESOURCES IMPLICATIONS (AC 16th May 2018)

42. There are no immediate HR implications for Doncaster Council employees arising from the recommendation to renew the 5 year contract with SLHD. However, both other options have potential implications for the workforce and would therefore require HR engagement at the appropriate time.

TECHNOLOGY IMPLICATIONS (PW 16th May 2018)

43. There is a service level agreement (SLA) between the Council and St Leger Homes of Doncaster for the provisioning of IT services, that is reviewed on an annual basis. It is assumed that this agreement would continue for the duration of the proposed new 5 year contract. As outlined in the body of the report, SLHD are seeking to procure and implement an Integrated Housing Management System. An outline business case in relation to this was considered and supported by the ICT Governance Board (IGB) at their meeting in December 17. The new solution will support the delivery of excellent and consistent services to customers, enable a more joined up approach with the Council and seek to replace a number of legacy core housing management systems, in line with the Council's ICT Strategy objective of Systems Rationalisation. Digital & ICT involvement will be required throughout the procurement process and subsequent implementation to provide the necessary expert advice, guidance and support.

EQUALITY IMPLICATIONS (CF 4th May 2018)

44. The public sector equality duties run through the very heart of St Leger organisations core values, ensuring all residents are supported in their housing need requirements.

HEALTH IMPLICATIONS (CH 4th May 2018)

45. The favoured option of the report is to maintain the current arrangement and agree to a further 5 year extension for St Leger Homes for the period 1st April 2019 to 31st March 2024.
46. Access to decent and adequate housing is critically important in terms of health and wellbeing. The upkeep and maintenance of the housing stock is also important and St Leger has made good progress in meeting the majority of their indicators. However, in relation to Public Health the following three indicators are crucial in ensuring the ongoing quality of the home for residents.
- Repairs - Right first time
47. It is pleasing that the % increase has consistently risen since the year 2014/15 and has met the indicator target. Public Health would recommend this is continually measured to ensure that levels do not drop and that St Leger continues to provide a high level of service in ensuring properties are maintained to ensure the home is safe and of high quality.
- Repairs - % of scheduled repairs promises kept
48. Again the % increase has consistently risen over the reporting period which demonstrates the effort being put into improvement against the indicator. However in this instance the target has fallen slightly short of the target. Again, Public Health would recommend the target is continually monitored and measures put in place to ensure that in future the target is reached.
- No. of households in temporary accommodation

49. Stable accommodation that is safe, comfortable and appropriate to the needs of the residents is a significant factor in people being able to live in good health and wellbeing. Although this target is met it is imperative work continues to ensure the use of temporary accommodation is consistently reduced. Again continued regular monitoring of performance will ensure that improvements to the indicators are tracked and measures put in place to manage the situation.

Added Value offer

50. We know that the home environment is important in enabling access to other health improving opportunities, for example employment, social networks, essential services and amenities such as green space. St Leger has shown considerable progress in their added value offer and Public Health would wish this to remain an integral part of the service offered. For example through the World of Work programme a number of residents have been able to access training and work experience which has enabled them to gain employment; having a job is one of the key contributors in improving health inequalities.

51. Over the current provision period St Leger has sought to make improvements to all aspects of its service and this has been demonstrated through the improvement of targets being met and several awards and accolades it has received and most importantly feedback from the customer. Public Health can see no reason why the preferred option to extend the current contract for a period of 5 years should not be approved. Continuation will ensure stability in housing provision for our community.

CONSULTATION

52. Key to the determination of this decision is the views of our residents; satisfaction rate at 91% demonstrate a high quartile performance and demonstrates a public perception that the service is delivering the needs of our residents. In addition it is also important to gauge the views of officers within Doncaster Council and its Elected Members, a significant number of which have been consulted on the content of this report.

BACKGROUND PAPERS

- Annex A attached to this report includes the Performance Indicators for 2018/19.

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