

Corporate Governance Annual Statement of Assurance

Wigan and Leigh Housing is governed by a Board of Directors. Following a review in 2006/7 the following governance structure was introduced

- The Board structure was streamlined to two Committees
 - Business, Investment and Performance
 - Governance, Standards and Audit
- The previous 2 Area Boards were replaced with 5 Area Housing Forums and an Older Persons & Sheltered Housing Forum each with a tenant chair to provide a link between tenants and residents with the Board. Forum chairs who were not already directors were co-opted on to the Board and tenant representatives were also co-opted to the above Committees.
- The frequency of Board meetings was increased and the Board programme changed in 2007/08 to include monthly business meetings.

These arrangements were enhanced in 2007/08 which resulted in minor changes to the roles of the different Committees, but significantly, increased the influence of tenants by increasing the number of Tenant Board Members to 6 so that they now represent the largest constituency group of the Board's 14 Directors which also comprise Council nominees and Independent Members. Council nominations are made annually by the Council whilst Tenant Members are elected and retire in rotation and Independent Members are selected by tenants and bring to the Board key knowledge on issues such as audit and finance.

The company's governance arrangements are currently being further reviewed with the use of external consultants using an excellent governance toolkit in order to identify any potential areas for improvement and ensure that the company continues to maintain high ethical standards and levels of governance.

An overview of the current governance arrangements has identified the following areas of good practice.

Focusing on the purpose of the organisation and on outcomes for the community and creating and implementing a vision for the local area

- A new Vision was agreed during 2006/07 in consultation with tenants and partners. This Vision has been refreshed following a second review in 2007 which has increased the influence of tenants by making them the largest constituency group.
- A clear link exists between Wigan Council's priorities from the Community Plan, through to the Council's Housing Strategy, the HRA Business Plan through to Wigan & Leigh Housing's Delivery and Business Plan 2007/2010.
- The Company is a key member of the Local Strategic Partnership.

- Regular monitoring and reporting of performance against requirements and targets set out in the Inspection Plan, Delivery & Business Plan 2007/10 and Directorate Service Plans.
- Improvements to performance and the systems for measuring it accurately have resulted in the Housing Service scoring 4 out of 4 for the company's core business of *managing council homes* in contribution to Wigan Council's CPA rating. In addition during 2008 the Company also achieved the Government's minimum Decent Homes standard in 95% of properties.
- A value for money strategy has been developed as a first step in establishing a value for money framework
- Service Level Agreement's for services bought in from the Council have been updated with service standards and charges being formally agreed.
- An Annual Report is produced following completion of the audit of accounts for the financial year and is presented for approval at the Company's Annual General Meeting.

Board members and officers working together to achieve a common purpose with clearly defined functions and roles

- Recent revisions to the Board and Management structures have been made to strengthen governance, provide clearer lines of management accountability and better align with the new Vision and service delivery priorities.
- The Memorandum and Articles of Association, the Management Agreement with Wigan Council and the Scheme of Delegations set out how the Company is governed, how decisions are made and includes clear roles and responsibilities.
- During 2008/09 the Articles of Association were updated to reflect changes to the Board Structure implemented in 2007 and to strengthen the Article relating to attendance at Board meetings by increasing the requirement for attendance from 2 to 3 in every 5 meetings.
- A revised Scheme of Delegations has been approved to ensure that financial duties are appropriate, consistent and comprehensively address the relevant roles and responsibilities of the company's board members and officers.

Promoting values for the organisations and demonstrating the values of good governance through upholding high standards of conduct and behaviour

- A Code of Conduct for Board Members has been in place since March 2002. This code has recently been revised to update it in response to the recent governance changes and to include a section for dealing with breaches to the Code of Conduct.
- An Employee Code of Conduct is in place which outlines expected behaviour and set standards of conduct, provides details of Policies and Procedures covered by the code and mechanisms available to report any incidents of misconduct or behaviour not in keeping with the code.
- Employees are currently required to adhere to the Wigan Council financial procedure rules, and fraud and whistleblowing policies. Whilst the Council's

policies are relevant in that the Company manages the Council's budgets in respect of the housing function and consequently is governed by the Councils policies and procedures in this respect, the company does have funding of its own in the form of the management fee. Consequently the Council's policies alone are not sufficient for the full range of activity incurred by the Company and neither do they accurately represent the relevant contacts and accountabilities. The need for Wigan & Leigh Housing specific policies is acknowledged although such policies have not to date been drafted. This is included as a key task in the Company's Business Plan and will be completed in 2009.

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

- The Company's risk management framework has recently been revised to ensure that it is embedded in the key processes of business planning and performance management. The new framework focuses on the strategic risks that apply to the Company's corporate priorities, assesses their severity and likelihood, sets out mitigation measures and controls. Each risk is assigned to a responsible Director who is held accountable for the management and mitigation of the risk.
- Frequent and structured reporting to Members takes place with the Board meeting monthly.. The Board is supported in their work by two Committees, the Business, Investment and Performance Committee and the Governance, Standards and Audit Committee. The committees are made up of members of the Board supported by co-opted tenants and independent people with knowledge and expertise in the relevant areas of the business.
- A formal complaints procedure is in place and complaints or other feedback can be provided by a variety of methods, including electronic facilities such as via email and online using the company's website. The effectiveness of the complaints procedure is reported to and monitored by the Business, Investment & Performance Committee.
- From 2008/09 the remit of Governance, Standards & Audit Committee has been extended to include a scrutiny role.

Developing capacity and capability of members and officers to be effective

- The Board Member induction process has recently been revised to incorporate a structured induction process which enables new Board Members to meet key people in the organisation so that they can quickly develop a basic knowledge of the Company's services and the relevant housing issues it faces.
- The need for further Board Member development to complement the induction process is recognised. Consequently the terms of reference of the current governance review includes an assessment of Board Member skills and the current learning and development programme. It will also consider Board Member succession planning.

- The Company has been awarded IIP status. The Investors in People (IIP) Award is a national quality standard which sets a level of good practice for improving an organisation's performance through its employees.
- An annual employee appraisal scheme called Personal Performance and Development (PPD) is in operation and the company also sponsors employees to study for relevant work related qualifications.

Engaging with local people and other stakeholders to ensure robust public accountability

- Various opportunities are available to tenants and residents to shape and influence the housing service and in particular resident involvement was identified as "an area of excellence" in the Audit Commission Inspection Report 2005.
- Area Forums which provide tenants with a mechanism to enable them to engage effectively with the Board have been commended, by a consultancy firm specialising in Good Governance, as an area of strength which compares well with other ALMO governance structures.
- The Company's Vision has been updated with the aim of promoting greater tenant involvement and a broader community engagement.
- A dedicated Tenant Participation Team has been established who lead on the objectives and targets in the tenants compact, the Partnership Agreement.
- Additional funding in the form of delegated budgets has been allocated to support Tenant Engagement. The purpose of this is help tenants shape their own priorities and give them a role in allocating resources.
- The company publishes it' own magazine 'Housing Matters' each quarter. The magazine is sent to every tenants' and leaseholders' home and is also shared with residents.

Other "significant" Issues

Some significant issues, involving Wigan & Leigh Housing, which have or could generate public interest have occurred during the financial year. All the issues have been recognised as major risks to the Company and are or will be included in the Strategic Risk Register which outlines the mitigating actions and accountabilities along with providing a high level mechanism to monitor the effectiveness of the actions being taken.

A précis of the issues is detailed below.

New House Building Programme

Plans for Wigan & Leigh Housing to develop a new Affordable Housing Programme are progressing with the Council having approved the New Build Business Plan in November 2008. The original Business Plan was substantially revised to address strategic risks such as the recession. Whilst the outcome of funding bids submitted in February 2009 to the Homes and Communities Agency (HCA) are awaited the

Company is progressing the relevant technical, community and planning assessments for the sites on which it is proposed to build the new homes.

The Company, sensitive to the views of the local community, has tried to minimise concerns about the scheme by consulting fully with those affected at all stages. This consultation has included ward members, local residents, area forums and townships. In particular a drop in session was held to share the development plans, to invite contributions to a design group and to provide residents with an opportunity to raise their concerns. Wigan & Leigh Housing later wrote to all those who had attended formally responding to all of the issues raised.

The first phase development sites are currently awaiting planning approval from Wigan Council.

Gas Explosion at Worsley Mesnes

A gas explosion at Worsley Mesnes resulted in the entire evacuation of the accommodation block until the emergency services dealt with the immediate incident and completed their investigations. Tenants were promptly found temporary accommodation until it was agreed that it was safe to return.

Staff from Wigan & Leigh Housing took a major role in dealing with the incident including providing ongoing communications and support to all displaced tenants and have offered alternative accommodation to those whose homes were destroyed.

Greater Manchester Fire and Rescue Officers were full of praise for the Company and the way it handled the incident and the concern shown for the tenants who were temporarily displaced.

Land contamination at Ince Central Estate

Heavy metal contamination was discovered on the Ince Housing Estate; being a historical problem which Wigan & Leigh Housing are involved in the process of remedying along with Wigan Council. Officers from Wigan & Leigh Housing and the Council have worked together with specialist surveyors and contractors, tenants' groups and their legal representatives and with Central Government to devise a safe and permanent solution.

Remedial work on site is progressing on a phased approach, appropriate Council bids for funding to cover the remediation work, etc have been made to DEFRA and granted on a phased basis. A bid for funding for the final phase is currently awaited.

Continued consultation takes place with affected tenants including periodic newsletters, etc. Throughout the process the approach taken by Wigan & Leigh Housing Company in conjunction with Wigan Council was to maintain a balanced approach between keeping residents informed, avoiding panic and unnecessary disturbance but ensuring the problem is dealt with as quickly and effectively as possible and this situation continues.

It is expected that the project will be completed by November 2009.

Job Evaluation and Equal Pay Audit

In common with many organisations Wigan and Leigh Housing has adopted the National Joint Council Scheme for Local Government Service's scheme of pay and employment conditions. The requirement to undertake a pay and grading review was determined within the 2004 pay settlement. Accordingly Wigan and Leigh Housing agreed to implement the National Joint Council job evaluation scheme and to undertake an equal pay audit.

The Company is currently working with the Trade Unions on a pay model which addresses concerns and is affordable.

Board Members Conduct

The company was faced with a breach of the Board Members Code of Conduct which was reported by Internal Audit in September 2007. The report concerned an investigation by the Department of Work & Pensions (DWP) against a newly elected Tenant Board Member for fraudulently receiving Incapacity Benefit whilst in employment. The DWP advised that their investigation would result in a criminal prosecution against the Board Member.

The Board Member was suspended pending the outcome of the DWP prosecution. Following committal to Liverpool Crown Court in July 2008 the Board Member was found guilty of fraud and was sentenced to twelve months in prison. As a consequence of this sentence and under the Local Government Act 1972 the Board Member was no longer eligible to serve as a member Wigan & Leigh Housing Board and was disqualified.

Conclusion

In all instances appropriate action has been taken or is scheduled to be taken within a controlled framework to mitigate potential financial and reputational loss to the Company.

The current governance and risk management arrangements will enable it to deal openly and effectively with situations such as those highlighted above. The nature of the organisation means that there may often be difficult situations to deal with, but it's internal control mechanisms should ensure that actions are taken promptly and it is accountable for those actions.