

**PERFORMANCE MANAGEMENT – QUARTER THREE 2018/19**

Report of the Finance Director and Company Secretary

**1. SUMMARY**

- 1.1 This report presents a summary of performance for quarter three 2018/19 from key performance measures reported to Derby City Council.
- 1.2 Results are assessed using traffic light criteria, according to their performance against improvement targets. Accountable Officers have provided commentary to put performance into context, identifying actions that they are taking to address poor performance, as shown at Appendix 1.
- 1.3 At the end of quarter three (up to 31 December 2018), 68% of measures, where data was available, achieved or exceeded their year-end target and 76% are currently forecast to meet or exceed their year-end target.

**2. RECOMMENDATION**

- 2.1 To discuss and note the quarter three 2018/19 performance results.

**3. REASON(S) FOR RECOMMENDATION**

- 3.1 The Board of Derby Homes has delegated responsibility to the Operational Board for the management of Derby Homes' performance measures. This report provides information to enable the Operational Board to carry out this responsibility.

**4. MATTER FOR CONSIDERATION**

- 4.1 Performance monitoring underpins Derby Homes' performance framework in terms of reviewing progress regularly in achieving our priorities and delivering value for money. Early investigation of variances in outturns enables remedial action to be taken where appropriate.
- 4.2 The contents of this performance report and supporting appendices is based on priority measures as approved by the Board and contained in the Delivery Plan 2018/19. This incorporates 43 priority measures reported on a monthly / quarterly basis and 51 in total. 8 are not yet measurable as they are annual targets. 12 measures do not have targets.
- 4.3 Level 1 and 2 performance measures within Derby Homes' Delivery Plan are monitored through DORIS on a quarterly and monthly basis. The traffic light criteria used by DORIS is as follows:

- Blue – performance above target by 2% or more
- Green – performance meets target
- Amber – performance within 5% of the target
- Red – performance more than 5% adverse of target

4.4 Each year Derby City Council agree a small basket of priority performance measures to ensure that Chief Officers and Members are cited on key performance issues and outcomes. The criteria for the selection of measures for inclusion within the scorecard are:

- measure is linked to an area of significant budget pressure / income source (1)
- a reflection of demand for services (2)
- key inspection / reputational / compliance risk area (3)
- measure links to a commitment in the latest edition of the Council Plan, and also meets at least one of the criteria above (4).

4.5 Four of Derby Homes' priority measures are included within the Council Scorecard (Appendix 1) for 2018/19.

- DH Local 01 Rent arrears of current tenants as a percentage of rent roll (scorecard rationale 1,2) –see 4.7.1
- DH Local 62b Number of New Homes Delivered (scorecard rationale 2,4) – see 4.7.5
- DH Local 142 Total number of cases resolved under 'prevention duty' (scorecard rationale 1,2,3) – see 4.7.6
- DH Local 143 Total number of cases resolved under 'relief duty' (scorecard rationale 1,2,3) – see 4.7.6

#### 4.6 Performance Monitoring 2018/19 – Quarter Three

4.6.1 A detailed summary of the performance measures is shown in Appendix 1.

4.6.2 Summary performance results (where data is available) as approved by the Board and contained in the Delivery Plan are as follows:

Traffic Light Status	Q3 performance against Q3 target	Forecast against year-end target	2017/18 performance
<b>Green / Blue – met or exceeded target</b>	68% (21)	76% (29)	70% (21)
<b>Amber - missed target by up to 5%</b>	19% (6)	8% (3)	3% (1)
<b>Red - missed target by more than 5%</b>	13% (4)	16% (6)	27% (8)

*Note: The comparative figures in previous years may relate to a different set of performance measures as the measures are reviewed and refreshed annually. Disparity in calculations is due to rounding.*

The performance measures highlighted as red are as follows:

- DH Local 11 – Number of tenants evicted as a result of rent arrears – Q3 Target 41, Actual 47, Year-end target 55, Projected year-end forecast 70
- DH Local 76 – Average working days lost to sickness absence – Target 7.0, Actual 7.9, Projected year-end forecast 7.8

- DH Local 116 – Number of households living in Temporary Accommodation other than bed and breakfast (snapshot at end of period) – Target 40, Actual 50, Projected year-end forecast 50
- DH Local 145 – Number of new positive private sector placements from April 2018 (accommodation with a reasonable prospect of being available for 6 months or more) – Q3 Target 120, Actual 98, Year-end target 160, Projected year-end forecast 120
- DH Local 62a - Number of new homes started in year – Annual measure, Target 60, Projected year-end forecast 40

The performance measures highlighted as amber are as follows:

- DH Local 32 – Average time taken to re-let local authority housing (days) – Target 24, Actual 24.2, Projected year-end forecast 24
- DH Local 52 – Satisfaction with new home (new build and re-let) – Target 94% Actual 91.4%. Projected year-end forecast 90%
- DH Local 67 – Satisfaction with the way ASB case was handled – Target 93% Actual 91.2%, Projected year-end forecast 93%
- DH Local 77 – Percentage of respondents satisfied with their neighbourhood as a place to live – Target 84%, Actual 82.6%, Projected year-end forecast 83%
- DH Local 118 – Number of tenants registered for My Account on line – Q3 Target 3,750, Actual 3,738, Year-end target 5,000, Projected year-end forecast 4,000
- DH Local 120 - Energy efficiency-average SAP rating of new build – Annual measure, Target 85, Projected year-end forecast 83
- YA&H PM04 – Number of households placed into B&B accommodation (snapshot at period end) – Target 15, Actual 16, Projected year-end forecast 15

## 4.7 Key areas to note

### 4.7.1 Arrears

Performance in the rent arrears measures suite continues to be positive with four of the five measures either meeting or exceeding their quarterly target. Rent arrears for current tenants as a percentage of total rent was 2.2% at the end of quarter three and forecast to be 2.7% by the year-end. This is slightly higher when compared to the same period last year.

Universal Credit (UC) cases continue to increase and by the end of December 2018, there were over 800 UC cases up and running.

The team continue to focus on supporting tenants to maximise their income and sustain their tenancy. Our Welfare Reform Team are working with all tenants moving onto UC claims and we now have access to the Department for Work and Pensions (DWP) landlords portal, which assists our officers in checking UC applications and making applications for (Alternative Payment Arrangement) APA'S to cover the housing costs and direct payments for rent arrears.

It is likely that the real impact of Universal Credit will be felt more and more over the next few years, as the number of tenants moving on to this benefit continues to increase.

There were 47 evictions as a result of rent arrears between March and December 2018 which is higher than the quarter three target of 41. At this point in time, the high number of evictions is not likely to be due to Universal Credit, but just the current period of austerity, including impact of previous welfare reforms.

#### **4.7.2 Housing Maintenance**

Performance in completing responsive repairs across tenants' homes continues to remain consistent, with 100% of emergency and very urgent repairs completed within timescale, and 99.9% of urgent repairs completed within timescale. In total, 16,696 priority repair jobs have been completed since April 2018 with only 34 (0.2%) out of timescale.

We are currently unable to report on the 'number of appointments kept by the landlord as a percentage of all appointments made' due to reporting issues. However, we can report that 4 appointments have been missed this quarter and 17 have been missed in total this financial year.

Tenant satisfaction with repairs remains high and above target at 99.6%. Out of a total of 5,071 text surveys sent out this quarter, we have received only 24 negative responses. A total of 13,326 text surveys have been sent out to date this financial year, with only 51 (0.4%) responding that they are dissatisfied with the service.

Gas servicing is a legal requirement and as such it is vital that we gain access to a property to service and maintain gas appliances. We continue to maintain our 100% compliance in relation to both electrical and gas safety, with all homes having a yearly gas safety check carried out.

#### **4.7.3 Customer Services**

All complaints measures have either met or exceeded their targets at the end of quarter three, with 98.3% of complaints resolved at Stage One. Nine complaints have been investigated and resolved at Stage Two, to date, this financial year. There have been no complaints escalated to Stage Three. Where, as a result of a complaint investigation, good practice or lessons learnt are identified, this is brought to the attention of the Head of Service and disseminated to the relevant officers.

At the end of December 2018, 3,738 customers had registered on My Account which is slightly below the Q3 target of 3,750. The 'Get on Line' incentive scheme is in its second year with a new campaign ('24/7 initiative') launched in August 2018 to promote registering and accessing services via My Account.

#### **4.7.4 Satisfaction**

Three of the six quarterly satisfaction measures have met or exceeded their targets.

Overall 'Satisfaction with Landlord' has shown consistent improvements over the last three years. 93.8% of respondents said that they were satisfied with the services provided by Derby Homes, compared to 93.7% at quarter two. Only 2%

(29 of the 1,420 respondents in total since April 2018) expressed dissatisfaction with the service.

Although there has been a slight dip in performance compared to quarter two, 'Satisfaction with views taken into account' remains 6% above target. 4% (19) of the tenants who responded to this question so far this financial year have expressed dissatisfaction.

'Satisfaction with new home' has increased slightly this quarter, but still remains slightly below the annual target of 94%. Ten of the surveys this quarter related to views on a new build property, of which nine were very satisfied and 1 was fairly satisfied. We always use feedback as a learning opportunity and will be contacting those tenants who responded that they are dissatisfied with their new home to take any further appropriate action / learning.

'Satisfaction with the way Anti -Social Behaviour (ASB) cases was handled' has slightly decreased in quarter three, and is below the challenging target of 93%. Of the 251 respondents to this survey only 4% (9) were dissatisfied to date this financial year.

82.9% of respondents are satisfied with their neighbourhood as a place to live. Although disappointed that performance is below target we anticipate that, as the local customer priorities were agreed during quarter two and a soft launch carried out in for quarter three, it is positive we are close to hitting the year-end target of 84%.

#### **4.7.5 New Homes**

A total of 372 new affordable homes have been delivered as at 31 December 2018, since 2013 in partnership with Derby City Council, with 18 completions so far in this financial year, with 6 acquisitions completing conveyance in quarter three.

A total of 29 new homes have started on site since April 2018. While we do not expect to achieve the year-end start on site target of 60 for 2018/19, we have a year-end forecast of 40 units (DH Local 62a); we are now seeing some more land becoming available for future homes which should help in future years.

#### **4.7.6 Homelessness**

The Local Authority has a statutory duty to give advice to anyone who is homeless or at risk of homelessness. The introduction of the Homelessness Reduction Act (HRA) in April 2018 provides a new legal framework, placing a legal obligation on local authorities to prevent homelessness. There is now a 56 day prevention duty, meaning that some cases may be dealt with earlier than previously and early intervention will lead to successful resolution of threatened homelessness. Moving forward the number of preventions will increase, along with the number of relief duties.

The number of successful preventions during quarter three has more than doubled compared to the first two quarters as the work of the team becomes more prevention focussed. 145 cases were resolved under 'prevention duty', giving an overall total of 264 since April 2018. The greater resources in terms of

staffing, including the introduction of the Rehousing, Engagement and Support Team (REST) has given more opportunities to prevent homelessness, rather than dealing with the crisis of actual homelessness.

282 cases were resolved under 'relief duty' in quarter three giving an overall total of 486 since April 2018. This figure reflects the number of households for whom a positive resolution was found for their homelessness. It should be noted that both the 'prevention' and 'relief' duty measures are new for 2018/19 introduced under the HRA and as such there are no historical comparisons. As we get to grips with the wider preventative duties we anticipate these figures will increase.

The number of homeless approaches, where an HRA application is activated on RARS, (670 in quarter three) is also a new measure for 2018/19, under the new legislation, and it is therefore difficult to draw any comparison with previous indicators. An increase in this figure is expected as we provide a prevention, relief and homelessness duty, all of which will be recorded as an approach to the authority and the total number of approaches since April 2018 is 1,640.

There were 57 Main Duty Homelessness acceptances in quarter three. This is equivalent to the total of the previous two quarters. The nature of the new legislation is such that the period before a main duty decision can be made has potentially increased to in excess of 112 days from the application. The new legislation has been in operation for 9 months and a greater number of homeless households have moved through both prevention and relief duties (or at least the latter) and reached the main duty. 113 households have received a Main Duty Homelessness acceptance to date this financial year.

There were 42 new positive private rented sector (PRS) accommodation options secured during quarter three, giving an overall total of 98 since April 2018. This is accommodation in the private sector with a reasonable prospect of being available for 6 months or more. The quarter two outturn is below the quarterly target, but represents a positive start for Derby. Prior to April we did not have the resource to work to develop relationships with the private sector in responding to housing need. We therefore may not meet our challenging year-end target of 160, which was based on a projection of need following the implementation of the Homelessness Reduction Act. The current year-end forecast is 120 which would still demonstrate significant progress.

The HRA requires placements into temporary accommodation for certain homeless individuals and families who are owed an interim accommodation duty. 85 new households have been placed in local authority owned temporary accommodation since April 2018. This is a 33% increase when compared to the same period last year (85 compared to 64) and was anticipated as the requirements of the new legislation are actioned. The average stay in this type of temporary accommodating is 132 days.

We do not have enough temporary accommodation to meet growing demand, notwithstanding an increase in the number of local authority owned units. We therefore have to rely on making temporary placements in bed and breakfast establishments for some who are owed interim accommodation duties. During quarter three there have been 70 household placements, giving a total of 178 to date in this financial year. This level is higher than usual and is reflective of the increased number of approaches that we have seen since the introduction of the

#### **4.7.7 Empty Homes**

The average time to re-let local authority homes at the end of quarter three was 24.2 days, whilst this is still above the target of 24 the figure has reduced month on month since April. We continue to work closely with other teams to ensure that vacant properties are let in a timely manner.

The percentage of rent lost through dwellings becoming vacant at the end of quarter three remains positive at 0.76%, against a target of 0.8%.

#### **4.7.8 HR**

At the end of quarter three, sickness absence has slightly increased to 7.9 days, per full time equivalent (FTE) and is still above the year-end target. Management continue to analyse trends amongst the workforce and take prompt actions when an employee has hit a trigger. We are also working closely with Derby City Council Human Resource Advisors to advice and support on attendance management cases.

#### **4.7.9 Asset Management**

100% of properties continue to meet the Decent Homes standard. The average SAP rating has risen slightly to 74.8 due to additional data being recorded within Keystone and we are on track to exceed our year-end target.

The average SAP for new build homes is currently below target; however our new build properties are built to current building regulations, with high levels of thermal insulation. The outturn figure is still well above the average for the housing stock.

#### **4.7.10 Governance & Corporate Services**

There has been an increase in the number of data protection breaches with a total of 25 breaches compared to 3 at the same period last year. This increase may appear high however it should be noted that we are also recording breaches that other organisations would class as a 'near miss'. Secure email awareness has taken place with a number of teams and training is made available for other teams as necessary. This has resulted in an understanding of the requirement to report incidences to the Information Governance Team.

A new measure was introduced this year to monitor the percentage of Councillor and MP enquiries that are responded to on time. 169 enquiries were received during quarter three with 95.9% of those responded to within timescale. A total of 583 enquiries have been received since April 2018 with 90.7% responded to within timescale.

Our new apprentices have settled in well and we are continuing to work with the relevant training providers in order to maintain good working relationships and track all apprentices' progress.

One apprentice gained a permanent role at Derby Homes during quarter three making a total of 11 since April 2018.

## 5. OTHER OPTIONS CONSIDERED

5.1 Not applicable

## IMPLICATIONS

## 6. EQUALITIES IMPLICATIONS

6.1 The performance measures and wider performance framework provide information regarding outcomes for vulnerable and equality groups.

The areas listed below have no implications directly arising from this report:

Consultation  
Financial and Business Plan  
Legal and Confidentiality  
Council Implications  
Personnel  
Environmental  
Health & Safety  
Risk  
Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

Valerie Watson / Performance Planning Officer / 01332 643457 / Valerie.watson@derby.gov.uk

Background Information: None

Supporting Information: None

**This report has been approved by the following officers:**

<b>Finance Director/Derby Homes Accountant</b>	David Enticott	24/01/19
<b>Head of Service</b> (Operational Board reports)	Heather Greenan	22/01/19
<b>Managing Director of Derby Homes</b>	Maria Murphy	05/02/2019