

PERFORMANCE MANAGEMENT – Q4 YEAR END RESULTS

Report of the Finance Director and Company Secretary

1. SUMMARY

- 1.1 This report summarises the performance of Derby Homes for 2016/17 for key performance measures reported to Derby City Council. Overall year end performance remains positive with a few issues to be addressed where possible.
- 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 and identify actions that they are taking to address poor performance as shown at Appendix 1.
- 1.3 At the end of quarter four (up to 31 March 2017), 73% of measures, where data was available, achieved or exceeded their year-end target, with 53% exceeding target. Performance has improved or remains consistent in 2016/17 across 53% of our priority measures when compared with performance in 2015/16 and there are some areas of strong performance.

2. RECOMMENDATION

- 2.1 To discuss and note the 2016/17 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. The 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 2016/17. This incorporates 27 priority measures reported on a monthly / quarterly basis and 33 in total.

- 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 Three priority measures are included within the Council Scorecard (Appendix 1). The criteria used for identifying measures for the Council Scorecard reflects factors such as; corporate importance, previous and comparative performance levels, importance to external inspections, impact on the Council's reputation and budget implications.
- DH Local 62b Number of New Homes Delivered – see 4.7.5
 - YA&H PM03 (NI156) Number of Households living in Temporary Accommodation – see 4.7.6
 - YA&H PM06 Number of Homelessness Acceptances – see 4.7.6

4.6 Performance Monitoring 2016/17 – Year End

- 4.6.1 A detailed summary of the performance measures is shown in Appendix 1, together with a guidance sheet for the summary at Appendix 2.
- 4.6.2 Summary performance results for monthly / quarterly priority measures as approved by the Board and contained in the Delivery Plan are as follows:

| Traffic Light Status | 2016/17 performance | 2015/16 performance | 2014/15 performance |
|--|---------------------|---------------------|---------------------|
| Green / Blue – met or exceeded target | 73% (22) | 79% (27) | 84% (26) |
| Amber - missed target by up to 5% | 0% (0) | 6% (2) | 6% (2) |
| Red - missed target by more than 5% | 27% (8) | 15% (5) | 10% (3) |

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

Data was unavailable at year end for 'DH Local 30 Customer satisfaction with the Customer Service Team'.

The performance measures highlighted as red at the year-end are as follows:

- DH Local 32 Average time taken to re-let local authority housing – Target 24 Actual 25.3
- DH Local 62a Number of new homes started before March 2018/19 – Target 60 Actual 22
- DH Local 62b Number of new homes delivered before April 2019 – Target 50 Actual 30 (Council Scorecard)
- YA&H PM03 (NI 156) Number of Households living in Temporary Accommodation – Target 30 Actual 44 (Council Scorecard)

- YA&H PM04 – Number of Households placed in Bed and Breakfast Accommodation – Target 10 Actual 14
- YA&H PM05 – Number of Homelessness Preventions – Target 1,000 Actual 570
- YA&H PM06 - Number of homeless acceptances –Target 370 Actual 499 (Council Scorecard)
- DH Local 76 – Average working days lost to sickness absence – Target 6.8 Actual 8.45.

4.7 Key areas to note

4.7.1 Rent Arrears

Performance in the rent arrears measures suite at year end has either met or exceeded year end targets, with an improvement overall in the position compared to 2015/16. This is an excellent achievement for the team. The focus remains in pro-activity supporting tenants to maximise their income and sustain their tenancy, which is evident with the number of evictions reducing by 14 in 16/17 and the additional income collected.

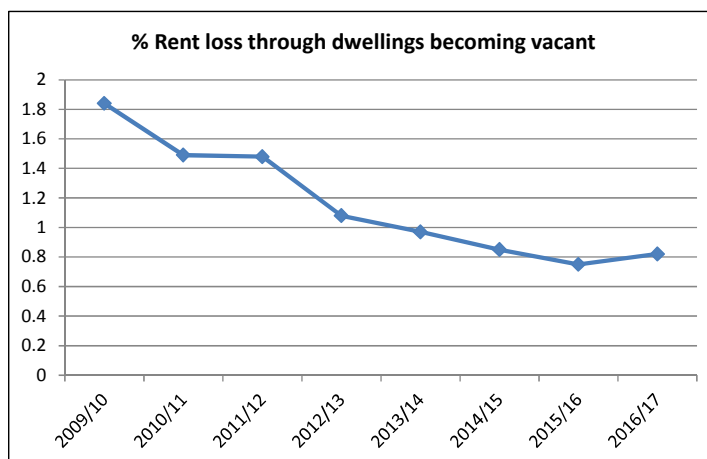
4.7.2 Voids & Relets

There has been an increase in the average time (days) taken to re-let local authority housing (DH Local 32) which, for year-end, was 25.3 and is marginally higher than the target. Relevant heads of service conducted a forensic review of all voids in November and again in March and identified minor areas where performance may be improved. These have been communicated with relevant staff and are being closely monitored.

The average amount of rental income lost per day a property is void is £11.

The number of properties let is slightly lower with 820 compared to 828 at the same point last year.

Minimising rent lost through dwellings becoming vacant continues to be an area of strength for Derby Homes. Although there has been a slight increase from 0.75% in 2015/16 to 0.82% in 2016/17 we remain below the challenging year-end target of 1.0%.



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4.7.3 Housing Maintenance

Performance in completing responsive repairs across tenants' homes continues to remain consistent, with 100% of emergency, very urgent and non-urgent repairs being completed within target timescales and only 6 (under 0.2%) urgent repairs completed out of time. In total, 30,169 repair jobs have been completed this year with only 18 out of timescale.

Of the 17,349 appointable jobs this year, 19 appointments have been missed. This was due to a major IT server failure, as this has now been replaced we do not envisage any further problems.

Tenant satisfaction with repairs remains high and above target at 99.3%. Out of the 19,809 text surveys sent out we have only received 137 negative responses this year.

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 have maintained our 100% compliance in relation to both electrical and gas safety, with all homes having a yearly gas safety check carried out.

We are continuing to incorporate a dynamic scheduling system with smartphones for our operatives into the electrical testing team. We are pleased with the results so far although we are continuing to make alterations and improvements to our process and system when appropriate.

This year Derby Homes have carried out earth upgrades to 210 properties. Due to a change in the 17th edition electrical wiring regulations we are also carrying out upgrades to some of our Customer fuse boards and at the same time we are upgrading the sockets within the lounge area.

4.7.4 Satisfaction

Three of the four satisfaction measures have met or exceeded their year-end targets. Due to ongoing IT issues with the reporting software we are unable to provide information on satisfaction with the customer services team.

During 2016/17 over 3,000 responses were received to satisfaction surveys, with 89.9% reporting that they are satisfied overall with the services provided by Derby Homes, which remains consistent with the previous year. What is even better is that dissatisfaction has remained consistent again this year at under 2%.

Satisfaction with views taken into account has seen a 5% improvement on the 2015/16 outturn with 84.2% of tenants who responded to this question satisfied that their views are listened to. With only 4.2% of respondents expressing dissatisfaction this is an excellent result and demonstrates the impact of the ongoing face-to-face interviews with customers.

We have achieved an annual satisfaction figure of 95% with the way ASB cases were handled, which is 5% above target. There has been a step change in customer satisfaction in the ASB service over the last 18 months. This is because of a number of factors, which include, but are not limited to:

- The introduction of a specialist team with much better case management and monitoring arrangements and much better training
- Much higher levels of ongoing contact with ASB complainants during the progress of cases
- Stronger procedures around case closure – very few cases are closed unless the complainant tells us the case is resolved and they are satisfied
- Immediate, but independent telephone survey carried out with complainants after the case is closed. Previously there was often a considerable delay before the survey was carried out.

The aim of the ASB improvement plan was ‘to achieve top quartile performance in ASB satisfaction’. Whilst the top quartile figure for 2016/17 will not be known until September, the figure for 2015/16 was 87.95%. This would indicate that Derby Homes is now likely to be comfortably within the top quartile and to have achieved the objective.

4.7.5 Investment

Our total number of new homes delivered as at 31 March 2017, in partnership with Derby City Council, stands at 312 against the original target of 700, with a further 100 approved for delivery over the next 12 months. Delays in completion have not been significant and handovers have been completed in April 2017. Had these been within the 2016/17 financial year the outturn would have been closer to target.

Derby City Council has agreed a new target for affordable housing from 1 April 2017. Linked in with pledges made by the Council a new target of 500 new affordable homes over the next three years has been agreed, this target includes affordable homes across all sectors, so our contribution through either Derby Homes direct or the HRA will form part of this target. Derby City Council will lead on the overall target.

We will still track our progress for homes delivered through the HRA/DH alongside the new target.

100% of properties continue to meet the Decent Homes standard.

The average SAP rating is showing an increase again this year from 73.3 in 2015/16 to 73.9 in 2016/17. This can be attributed to the new SAP methodology (RD SAP 9.92) and the continued improvement works to external wall insulation and installation of high efficiency boiler replacements.

4.7.6 Homelessness

We continue to see a decline in performance in all areas within this service area with two measures featuring in the Council Scorecard. All measures have missed their target by more than 5%. This reflects the challenging context which has seen rising trends in homelessness nationally.

Our ability to deliver advice and assistance for homeless households and prevent homelessness is critical to managing homelessness acceptances. However, with the increase in homeless acceptances, resources need to be diverted from preventative work to deal with households in crisis

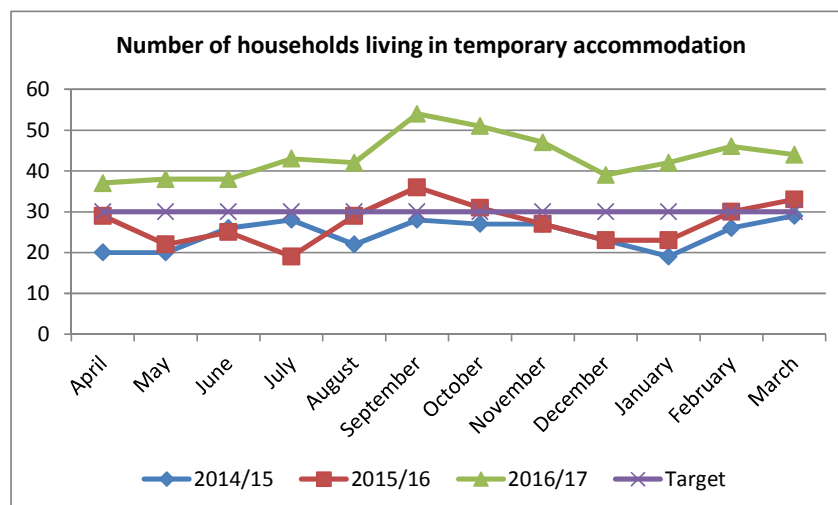
when they are homeless. The numbers we are able to therefore prevent from becoming homeless are falling and the number of homeless preventions (YA&H PM05) continues to remain below target.

On 27 April 2017 the Homelessness Reduction Bill formally became an Act of Parliament. The Act is likely to be implemented between 1 January and 1 April 2018.

The Homelessness Reduction Act is the first major piece of homelessness legislation for 15 years and has the potential to transform the way homelessness services are delivered, aiming to ensure that all eligible applicants are given the help that they need.

Housing Options is restructuring to respond to the requirement of the new Act, following a transfer to Derby Homes, and we will be significantly re-focusing on prevention. We will also be strengthening our relationships with the private sector option and greater partnership working with private landlords

Over the last five years we have consistently limited the use of temporary accommodation to below 30 families / households. However, at the end of 2015/16 we were unable to maintain this position, with 33 households in temporary accommodation on 31/3/2016 and the use of temporary accommodation has remained above target throughout 2016/17, peaking at 54 on 30/09/2016. We have seen a decrease since October (39 households on 31/12/2016), however it remains an upward trend on previous years (as can be seen in the following graph).



The total number of households in temporary accommodation is dependent on two factors; the number of households approaching the authority who are actually homeless and the ability to discharge our duties both to those for whom we have a main duty but also those for whom we have a limited housing duty such as intentionally homeless.

The number of homelessness acceptances (YA&H PM06) with a year-end outturn of 496 compared to 377 last year. This reflects the national picture with welfare changes, reductions in Government funding and legislative changes all contributing factors. With an increased focus and increased resources to prevent homelessness, we aim to reduce the use of temporary accommodation for families in the medium term.

4.7.7 Sickness Absence

Absence levels in March 2017 are comparable to those in March 2016. The majority of days lost are a result of short term absences for cough, cold and flu with 3% of absences attributable to stress. As part of our time to change initiative we understand that at a national level many employees when reporting an absence would resist declaring a mental health type issue. We want employees to feel confident to tell us about their mental health. As a result we may see more mental health reporting but do not expect to see an overall increase in sickness absence.

This year's overall out turn shows an increase in sickness absence. Analysis of the data shows that in 2016/17 we have seen an increase in working days lost through long term absences i.e. more than 4 weeks. In 2015/16 the average number of days per employee lost to long term absence was 3.72, however this rose in 2016/17 to 4.81. In contrast the average number of days lost per employee to short term absence remained consistent at 3.24 in 2015/16 and 3.4 in 2016/17.

The top two reasons for long term absences remain consistent as mental health and surgery, with stress affecting 2.5% of the workforce and surgery 1.5%. Thus a small number of employees experience these health issues but the absence results in the highest number of days lost.

We have seen a rise in our absence rates over the last 2 years. This seems to be affected by the increase in long term absence. It is difficult to be precise on why this has happened. The data shows that some absences could not have been avoided, being attributable to hospital treatment and recuperation. It is less clear whether absences recorded as a mental health issue could have been avoided or the period of absence reduced.

5. OTHER OPTIONS CONSIDERED

5.1 Not applicable.

IMPLICATIONS

6. COUNCIL IMPLICATIONS

6.1 Three of the measures are included in the Council Scorecard and are reported to Council Cabinet on a quarterly basis (highlighted in Appendix 1).

7. EQUALITIES IMPLICATIONS

7.1 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
Personnel
Environmental
Health & Safety
Risk
Policy Review

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

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Background Information: None

Supporting Information: None